



Advisory Actions 2002

Department of General Services
Office of Public School Construction

State Allocation Board Meeting: January 23, 2002
Issue Number 01

Executive Corner



Federal Renovation Program

Regulations for the Federal Renovation Program were adopted by the State Allocation Board at its January 23, 2002 meeting. The Office of Public School Construction has submitted the emergency regulations to the Office of Administrative Law, however, the OAL has ten calendar days upon submittal to review the regulations in order to determine whether an emergency exists. In anticipation that the OAL will approve the regulations as emergency, the OPSC will present proposed timelines at the February 27, 2002 SAB meeting that will enable the OPSC to begin accepting applications for the Federal Renovation Program. The OPSC looks forward to administering this program, which you can learn more about in this issue.

Sincerely,

Luisa M. Park, Executive Officer
Office of Public School Construction

Federal School Renovation and Repair Program

For the past few months, the Office of Public School Construction (OPSC) has been discussing the proposed Federal Renovation Program with the State Allocation Board (SAB) Implementation Committee. At its January 23, 2002 meeting, the SAB adopted the Federal School Renovation and Repair Program (FRP) regulations on an emergency basis. The amount of funding for the program is \$103 million for the urgent renovation and repair of existing school facilities. The SAB will award the grants on a competitive basis. The uniqueness of this program is that it allows for charter and non-profit private schools, in addition to public school districts and county superintendent of schools, to participate by applying for funds through Local Educational Agencies (school districts or county superintendent of schools). To accommodate summer construction for these urgent projects, the OPSC is proposing a swift application acceptance timeline, which will be presented to the SAB at its February 2002 meeting. It is anticipated that the SAB will approve the proposed timeline as follows:

- The OPSC will begin accepting FRP applications on Friday, March 1, 2002.
- The complete applications must be received no later than the close of business on Monday, April 15, 2002.
- The applications received during this 45-day filing period will be processed for presentation at the May 22, 2002 SAB meeting.

The OPSC, beginning early in February, conducted outreach presentations at various locations throughout the State. If you are interested in finding out more about the new regulations, its forms and workshops, further information is available on the OPSC Web site at www.opsc.dgs.ca.gov.

Proposed Amendments for Excessive Cost Hardship Grant Regulations

Current School Facility Program (SFP) Regulation Section 1859.83 provides additional funding for those projects that have certain circumstances beyond the control of a district. This additional funding is referred to as "Excessive Costs" and is available for the following:

- Geographic Location based on a percentage of the base grant
- Small Size Project based on a percentage of the base grant
- New School Project allowance based on the number of classrooms in the project (new construction only)
- Urban Location based on the site size
- Handicap Access based on a percentage of the base grant (modernization only)

On January 23, 2002, the State Allocation Board adopted the proposed SFP Regulations amendments, which alters the manner by which the OPSC calculates the excessive costs. The OPSC anticipates that the regulatory amendments will be filed with the Office of Administrative Law in May 2002. The proposed regulation text can be found on the OPSC Web site at www.opsc.dgs.ca.gov. If you have questions regarding excessive cost hardship grants, please contact your project manager.

OPSC Reminders...

► State Allocation Board Meetings*

Wednesday, February 27, 2002
 Wednesday, March 27, 2002
 Wednesday, April 24, 2002
 Wednesday, May 22, 2002
 Wednesday, June 26, 2002

► State Allocation Board Implementation Committee Meetings*

Friday, March 8, 2002 – Ontario
 Friday, April 5, 2002 – Sacramento
 Friday, May 10, 2002 – Sacramento
 Friday, June 7, 2002 – Ontario

► Joint Use Funding Cycle

July 1, 2001 – May 30, 2002: Period for Districts eligible to participate in the Lease-Purchase Program funding of Joint Use projects for gymnasiums, multipurpose rooms and libraries (SB 1795).

► SFP New Construction Application Timeline

Applications accepted by the OPSC on or prior to our next quarter date March 29, 2002 will be processed for consideration at the June 26, 2002 SAB Meeting.

► Interest Earned Report (Form SAB 180)

Due quarterly (March 31, June 30, September 30, December 31) from each county for all districts that have earned interest from the Leroy F. Greene Lease-Purchase Fund.

► Project Tracking Number

Project Tracking Number (PTN) required on specified forms effective October 1, 2001.

* Meeting dates subject to change. Check the OPSC Web site at www.dgs.ca.gov/opsc for latest dates and times.

Important Reminder Regarding...

School Facility Program Major Maintenance Requirements

For those districts that receive School Facility Program (SFP) project funding after January 1, 2002, EC Section 17070.77 provides that the district's governing board to annually certify a publicly approved major maintenance plan, specific to the maintenance needs for those specific facilities in any SFP project, which includes and is being implemented with all of the following components:

- Identification of the major maintenance needs of the SFP project.
- A schedule for completing the major maintenance needs.
- A current cost estimate of the major maintenance needs.
- A schedule for funding a reserve for the major maintenance needs.
- Annual review of the plan approved pursuant to EC Section 17070.75(3) as part of the district's annual budget process to update for:
 - *Revised major maintenance needs identified in the SFP project.*
 - *Revised costs, if necessary, for the major maintenance needs identified in the SFP project.*
 - *Adjustments in funding the reserve, if necessary, for the major maintenance needs identified in the SFP project.*
- Availability of the plan for public inspection.
- A provision in the district's annual budget for a reserve to address the total estimated cost of the major maintenance needs specified in the updated plan, and an explanation if the reserve is less than the estimated cost of the major maintenance needs in the plan.

The certification is required as a condition of receiving an SFP apportionment. Once the regulatory amendments are final, a revised Form SAB 50-04, *Application for Funding*, will contain the specific certification language. Because the regulatory language is not in effect, the OPSC will accept, as evidence of compliance, the certification currently required by all applicants which states that the district is "complying with all applicable laws." Compliance with the annual certification will be part of the district's Deferred Maintenance Five Year Plan, Form SAB 40-1, which will be required on an annual basis for those districts funded under the SFP after January 1, 2002.

It is important for districts to be aware that compliance with this law is the sole responsibility of the applicant school district, and that the legislation defines major maintenance as "...all actions necessary to keep roofing, siding, painting, floor and window coverings, fixtures, cabinets, heating and cooling systems, landscaping, fences, and other items designated by the governing board of the school district..."

Annual Adjustment to School Facility Program Grants

The State Allocation Board (SAB) approved an adjustment in the School Facility Program (SFP) grants as provided by law, based on the change in the Class B Construction Cost Index from January 2001 to January 2002. The change represented an increase in the grant amounts of 1.42 percent and shall apply to all SFP applications approved for funding on or after January 1, 2002. All applications presented for funding approval at the January 23, 2002 included this adjustment.

	PREVIOUS GRANT EFFECTIVE JANUARY 1, 2001	ADJUSTED GRANT EFFECTIVE JANUARY 1, 2002	Education Code Sections 17072.10 and 17074.10 authorize the SAB to adjust the per-unhoused-pupil grant for new construction and modernization. The SFP regulation sections that provide for these adjustments are Sections 1859.71 and 1859.78.
New Construction			
Elementary	\$5,640	\$5,720	
Middle	\$5,965	\$6,050	
High	\$7,809	\$7,920	
Modernization			
Elementary	\$2,436	\$2,471	
Middle	\$2,577	\$2,614	
High	\$3,374	\$3,422	

Additional amounts were also adjusted as specified in law. For a complete listing of the annual adjustments, please refer to the OPSC web page at <http://www.opsc.dgs.ca.gov>.

Index Adjustment on the Assessment for Development

On January 23, 2002, the State Allocation Board accepted a report which indicated an increased index adjustment to the statutory (Level One) assessment for development to \$2.14 per square foot for residential construction and \$0.34 per square foot for commercial/industrial construction. School districts wishing to meet the financial hardship criteria of levying the maximum assessment for development allowed by law have six months to implement the new assessment fee. Financial hardship applications submitted to the OPSC after June 23, 2002 that do not indicate the new assessment fee will be returned to the District. For further questions regarding the assessment for development, please contact Julie Ennis, Audit Supervisor, at 916.445.0019.

Redding Satellite Office Up and Running

The Office of Public School Construction (OPSC) is pleased to announce its satellite office located at the Shasta County Office of Education.

For our clients' convenience, an OPSC representative is in the office one day each month from 10:30 a.m. to 5:00 p.m. District's can either drop in or make an appointment. To schedule an appointment, please contact Sally Lemenager at Sally.Lemenager@dgs.ca.gov or at 916.323.0139.

The following dates have been scheduled through July 2002:

- ▶ Monday, March 25
- ▶ Tuesday, April 23
- ▶ Wednesday, May 15
- ▶ Wednesday, June 19
- ▶ Wednesday, July 17

If these dates are not convenient, please contact the OPSC and we will make arrangements to meet your needs.

Good News...

\$12 Million Transferred to Deferred Maintenance Program

At the SAB meeting on January 23, 2002, the SAB approved the transfer of over \$12 million of excess State Relocatable Classroom funds to the State School Deferred Maintenance Fund in order to fund critical hardship projects on the "unfunded" list as of October 24, 2001.

Historically, the funding for the Deferred Maintenance Program (DMP) has not kept pace with the steady increase of deferred maintenance projects, especially critical hardship projects. The annual allotment of DMP funds limits the funding available for critical hardship projects to ten percent of the total amount available. Enactment of Senate Bill 2066 (O'Connell), Chapter 590, Statutes of 2000, adds Section 17088.2 to the Education Code, and allows the State Allocation Board (SAB) to transfer funds within the State School Building Aid Fund that are in excess of the amounts needed by the SAB for the maintenance of portable buildings or for the purchase of new portable buildings, for that fiscal year, to the State School Deferred Maintenance Fund. The SAB may use 100 percent of those funds for purposes of funding critical hardship projects.

The projects on the "Unfunded" list as of October 24, 2001 will be presented for funding in the Consent Section at the February 2002 SAB meeting. Please direct your DMP questions to Robert Young at 916.445.0083.

Redding Satellite Office

Shasta County Office of Education
1644 Magnolia Avenue
Redding, CA 96001

530.225.0212 Tel
530.225.0243 Fax

Status of Funds

Per the January 23, 2002 State Allocation Board Meeting

PROGRAM	FUNDS AVAILABLE AS OF 12.13.01	APPORTIONMENTS AND ADJUSTMENTS	BALANCE AVAILABLE AS OF 01.23.02
Proposition 1A			
New Construction	693.8	(1.0)	692.8
Modernization	0.8	0.0	0.8
Hardship	0.2	0.0	0.2
Facility Hardship (Reserved)	36.2	2.9	39.1
Subtotal	731.0	1.9	732.9
Prior Bond Funds			
Contingency Reserves	32.7	1.9	34.6
AB 191	3.2	0.0	3.2
Subtotal	35.9	1.9	37.8
Grand Total	766.9	3.8	770.7

Note: Amounts are in millions of dollars. Amounts within parentheses () are negative amounts.

Copies of the applicable SAB actions, proposed regulations, and additional information can be located on the OPSC Web site at www.dgs.ca.gov/opsc. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.

Construction Cost Indices

Lease-Purchase Program – Construction Cost Indices for January 2002

Class "B" Buildings	1.43
Class "D" Buildings	1.43
Furniture and Equipment	1.40
Historical Savings Index	9.07

Class "B" Buildings: Constructed primarily of reinforced concrete, steel frames, concrete floors and roofs.

Class "D" Buildings: Constructed primarily of wood.

Furniture and Equipment: An index based on an adjustment factor obtained quarterly from the Marshall & Swift Company.

Historical Savings Index: An index derived quarterly from the SAB approved new construction (growth) contract bids. It is the percentage difference between the SAB/OPSC generated construction allowance and the approved contract bid.



Office of Public School Construction
1130 K Street, Suite 400
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Advisory Actions 2002

Department of General Services
Office of Public School Construction

State Allocation Board Meeting: February 27, 2002
Issue Number 02

Executive Corner



Prop 1A Funding Window Is Closing...

Before submitting your new construction funding application, here are some important reminders.

- ▶ June 26, 2002 is the application filing cut-off date for the final distribution of the Proposition 1A funding for School Facility Program new construction applications. Keep an eye on this date; it differs from previous quarters when the filing date was the last business day of that month.
- ▶ Applications must be complete. A thorough, accurate and properly documented application submittal must be received by the Office of Public School Construction or it cannot be recognized as a complete application and will not show a receipt date.

For further information on submitting complete new construction applications, please refer to the Application Submittals Reminders in this issue. This final quarter will provide one less month for processing, so it will be critical to submit an application that is complete to enable acceptance and processing to the August 2002 State Allocation Board meeting.

Sincerely,

Luisa M. Park, Executive Officer
Office of Public School Construction

Attorney General's Opinion on Government Code Section 65995.7

Under Government Code Section 65995.7(a), a part of Senate Bill (SB) 50, the State Allocation Board (SAB) shall notify the legislature that "...state funds are not available if the SAB is no longer approving apportionments for new construction. . . due to a lack of funds available for new construction." This notification must be made before school districts can increase fees charged against local development. These increased assessments are known as "level three fees", and are designed to provide the full cost of needed school facilities through the assessments on development alone.

The Government Code states:

"Upon making a determination that State funds are no longer available, the SAB shall notify the Secretary of the Senate and the Chief Clerk of the Assembly, in writing, of that determination and the date when state funds are no longer available. . ."

In July 2001, the SAB directed the Office of Public School Construction (OPSC) to file a formal request for an opinion from the Office of the Attorney General (AG) concerning the legislative notification requirements pursuant to Government Code Section 65995.7. This issue has been debated and

interpreted in many ways. The SAB's intent for requesting an AG opinion was to ensure that it was not violating its own regulation. At its February 27, 2002 meeting, the SAB received a report, along with the AG's opinion, that indicated the School Facility Program (SFP) Regulations were in conflict with the governing statute, Government Code Section 65995.7. The SFP Regulations state that the Legislature shall be notified by the SAB when State funds are unavailable for new construction projects. The AG's opinion states:

"The State Allocation Board is not authorized to notify the Secretary of the Senate and the Chief Clerk of the Assembly when new construction grant requests from school districts that are ready for apportionment exceed the state funds available for new school construction as long as the board continues to approve apportionments."

The SAB continues to approve apportionments. The SAB accepted the AG's opinion and directed the OPSC to prepare proposed amendments to repeal SFP Regulation Section 185991(c) in order to be in compliance with the Government Code Section 65995.7. The proposed amendments for repeal will be presented to the SAB at the April 3, 2002 meeting.

Federal School Repair and Renovation Program

Federal Renovation Program (FRP) Application Filing Timeline

The US Department of Education has set aside \$103 million for the renovation and repair of schools in California. These funds will be made available through the FRP administered by the SAB/OPSC.

At its meeting on February 27, 2002, the SAB adopted application filing timelines for the FRP.

Based on the needs for the emergency renovation and repair work to begin as quickly as possible to accommodate summer construction for these urgent projects, the SAB approved a fast track filing timeline as follows:

...continued on page 3

OPSC Reminders...

► State Allocation Board Meetings*

Wednesday, April 3, 2002
 Wednesday, April 24, 2002
 Wednesday, May 22, 2002
 Wednesday, June 26, 2002

► State Allocation Board Implementation Committee Meetings*

Friday, May 10, 2002 – Sacramento
 Friday, June 7, 2002 – Ontario

► Joint Use Funding Cycle

July 1, 2001 – May 30, 2002: Period for Districts eligible to participate in the Lease-Purchase Program funding of Joint Use projects for gymnasiums, multipurpose rooms and libraries (SB 1795). May 30, 2002 is the last day to file an application for this fiscal year.

► School Facility Program

New Construction Application Timelines

Applications accepted by the OPSC on or prior to our next quarter date March 29, 2002 will be processed for consideration at the June 26, 2002 SAB Meeting. Applications accepted by the OPSC after March 29, 2002 and on or prior to June 26, 2002 will be processed for consideration at the August 28, 2002 SAB meeting.

► Interest Earned Report (Form SAB 180)

Due quarterly (March 31, June 30, September 30, December 31) from each county for all districts that have earned interest from the Leroy F. Greene Lease-Purchase Fund.

► Project Tracking Number

Project Tracking Number (PTN) required on specified forms effective October 1, 2001.

* Meeting dates subject to change. Check the OPSC Web site at www.dgs.ca.gov/opsc for latest dates and times.

School Facility Program...

Application Submittal Reminders

Since the application filing cut-off date for the last funding quarter in the School Facility Program is approaching, districts should be aware to fully address the following questions prior to the submittal of funding applications:

Q. *Has the district supplied the latest California Basic Educational Data System (CBEDS) enrollment report information?*

A. It is essential to submit your current CBEDS enrollment. This information must be presented on Form SAB 50-01, *Enrollment Certification/Projection*. Once a district submits its October 15th CBEDS information to its county office of education, or the California Department of Education (CDE) whichever occurs first, this data must be utilized to update its eligibility prior to submittal of a SFP funding application, pursuant to Regulation Sections 1859.51 and 1859.61.

Q. *Has the district separated the Special Day Class (SDC) from the regular K-12 grade level pupils (SDC Adjustment)?*

A. To submit for an SDC adjustment, the district must first enter the CBEDS enrollment data included on the initial (original) *Enrollment Certification/Projection*, Form SAB 50-01 (Rev. 01/01). The district then must complete and submit to the OPSC the *Existing School Building Capacity*, Form SAB 50-02 (Rev. 01/01), identifying the Non-Severe and Severe classrooms, if applicable, based on the information reported on the originally submitted Form SAB 50-01.

Q. *Does the district's application include a request for "Use of Grants"?*

A. When submitting an application (SAB 50-04), which includes a request for "Use of Grants", be certain that it also includes a Resolution approved by the school board which includes the acceptable alternate housing plan and specific resolution language which is indicated in SFP Regulation Section 1859.77.2. Get a 'jump start' by also submitting the approved resolution and alternative housing plan to the CDE.

For assistance in preparing a complete application, the OPSC has many resources available to assist school districts and architects in the preparation and submittal of complete application packages.

Three excellent resources available on our Web site (www.opsc.dgs.ca.gov) are:

- The *SFP Guidebook* at www.opsc.dgs.ca.gov/PDF/SFP_Guidebook/SFP_Guidebook.pdf
 - The SFP Application Submittal Requirements at www.opsc.dgs.ca.gov/PDF/sfp_sb50/sfp-app-submittal.pdf
 - The *Architect's Submittal Guidelines* at www.opsc.dgs.ca.gov/PDF/ArchitSubmtl.pdf.
- Also, the OPSC staff is readily available to provide personal assistance. You may contact:
- Gloria Martinez, Application Review Team Supervisor, at 916.445.0529 or via E-mail gloria.martinez@dgs.ca.gov; or,
 - your Project Manager.

continued from front page...

Federal Renovation Program (FRP) Application Filing Timeline

- The OPSC began accepting FRP applications on Friday, March 1, 2002.
- Complete applications must be received no later than the close of business on Monday, April 15, 2002.

To assist in a swift and streamline submittals, the OPSC has created an on-line application for the Federal Grant; "SAB 60-01" is now available for use.

The process is simple, but you need to act fast. Applications received during this 45-day filing period will be processed for presentation at the May 22, 2002 SAB meeting.

If you have any questions or need assistance, you may direct your general FRP questions to Tasha Adame at 916.322.0334, Chris DeLong at 916.322.5263, or contact your Project Manager.

Status of the Community Day and Continuation High School Report

At the State Allocation Board (SAB) Implementation Committee meeting on March 8, 2002, the OPSC presented a draft report, Review of the Funding Methods for Continuation High, Continuation High, Community Day, and County Community Schools on behalf of the Department of General Services (DGS). The SAB Implementation Committee is an informal advisory body established to assist the Board and the OPSC with policy and legislation implementation. Although the report is not a responsibility of the SAB, it was presented to the Committee and interested members of the public for review and comment. These comments will be shared with the DGS for their consideration and inclusion into their final report.

This report was prepared by the OPSC for the DGS in conjunction with the California Department of Education (CDE), the Department of Finance (DOF) and the Legislative Analyst's Office (LAO) in response to Assembly Bill (AB) 695, Chapter 858, Statutes of 1999. AB 695 required the DGS to review the funding method for continuation high, community day, county community day, and county

community schools and make recommendations to modify these funding methods as they deem appropriate. The report outlines the optimum site size, location/pupil density, classroom loading and funding considerations for these schools, and offers recommendations from the DGS regarding the appropriate classroom loading and funding methodologies for these alternative education schools.

After discussing the report's recommendations at the March 8 meeting, the OPSC invited audience members and any interested parties to submit written comments to the OPSC. Comments are due to the OPSC by April 15, 2002. A final report published by the DGS may be presented to the Implementation Committee at a future date.

To obtain a copy of this report, *Review of the Funding Methods for Continuation High, Continuation High, Community Day, and County Community Schools*, please visit the OPSC Web site at www.opsc.dgs.ca.gov. The report is located under the SAB Implementation Committee meeting notice.

Senate Bill 575

Automatic Fire Detection Alarm and Sprinklers

The OPSC and the Division of the State Architect (DSA) are working together to implement the provisions of Senate Bill (SB) 575, Chapter 725, Statutes of 2001. SB 575 requires that school construction plans for new construction or modernization submitted to the DSA after July 1, 2002 and requesting funding under the School Facility Program include automatic fire detection alarm and/or sprinkler systems. It also requires the OPSC to modify existing grants for new construction and modernization to include 50 and 80 percent of the costs associated with the purchase and installation of these systems.

The OPSC is seeking information to assist us in modifying the per pupil new construction and modernization grant to include the costs of installing automatic fire detection systems as set forth in SB 575. The OPSC anticipates bringing proposed regulations to the SAB Implementation Committee for the May 2002 meeting. Since time is of the essence, we look forward to your input as soon as possible in order to formulate regulations.

Status of Funds

Per the February 27, 2002 State Allocation Board Meeting

PROGRAM	FUNDS AVAILABLE AS OF 1.23.02	APPORTIONMENTS AND ADJUSTMENTS	BALANCE AVAILABLE AS OF 02.27.02
Proposition 1A			
New Construction	692.8	(0.2)	692.6
Modernization	0.8	2.7	3.5
Hardship	0.2	0.0	0.2
Facility Hardship (Reserved)	39.1	(12.3)	26.8
Subtotal	732.9	(9.8)	723.1
Prior Bond Funds			
Contingency Reserves	34.6	1.1	35.7
AB 191	3.2	0.0	3.2
Subtotal	37.8	1.1	38.9
Grand Total	770.7	(8.7)	762.0

Note: Amounts are in millions of dollars. Amounts within parentheses () are negative amounts.

Construction Cost Indices

Lease-Purchase Program – Construction Cost Indices for March 2002

Class "B" Buildings	1.44
Class "D" Buildings	1.45
Furniture and Equipment	1.40
Historical Savings Index	9.07

Class "B" Buildings: Constructed primarily of reinforced concrete, steel frames, concrete floors and roofs.

Class "D" Buildings: Constructed primarily of wood.

Furniture and Equipment: An index based on an adjustment factor obtained quarterly from the Marshall & Swift Company.

Historical Savings Index: An index derived quarterly from the SAB approved new construction (growth) contract bids. It is the percentage difference between the SAB/OPSC generated construction allowance and the approved contract bid.

Copies of the applicable SAB actions, proposed regulations, and additional information can be located on the OPSC Web site at www.dgs.ca.gov/opsc. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.



Advisory Actions 2002

Office of Public School Construction
1130 K Street, Suite 400
Sacramento, CA 95814

Executive Corner



AB 16 – On Friday, April 26, 2002, Governor Gray Davis signed into law Assembly Bill (AB) 16, Kindergarten-University Public Education Facilities Bond Acts of 2002 and 2004 as authored by Assembly Member and Speaker Emeritus Hertzberg. AB 16 is the largest School Facility Bond in California's history, as well as in the nation. This long awaited bill authorizes two statewide general obligation (GO) bond elections, one scheduled for November 2002 and a second in March 2004. The amounts are \$13.5 billion and \$12.30 billion respectively, of which \$11.4 billion and \$10 billion will be allocated for K-12 education facilities. Since the bill was adopted with an urgency clause it became effective immediately. This means the OPSC is on a tight schedule to develop the program changes created by AB 16 and implement regulations in time for the November 2002 election. But I know we can do it!

AB 16 provides much needed funding for new construction and modernization, and also adds several enhancements to the existing School Facility Program. Here are just a few:

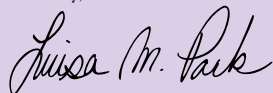
- Establishes a joint-use program with \$50M in each bond;
- Establishes a new program for Critically Overcrowded Schools;
- Provides for an additional apportionment for projects that maximize the use of energy efficiency; and
- Provides for an additional modernization apportionment for schools over 50 years old.

OPSC staff have put together several working groups that have begun developing proposed regulations to implement this law and brought the first proposed regulation item regarding AB 16 to the May 10, 2002 SAB Implementation Committee meeting for public review and comment. Anyone interested in assisting the OPSC in this endeavor is encouraged to attend any of the several meetings scheduled in the coming months. You can find the meeting time, place, location, and meeting agenda under "OPSC Reminders" and on our Web site under "Meeting Announcements" at www.dgs.ca.gov/opsc.

In the next few weeks, I will be providing you with additional information on AB 16, how it will impact our program, and provide updates on how we intend to implement this new bill. Any questions or comments are welcome.

Our thanks to the Governor, the Legislature and all of you who worked tirelessly to get this bill signed into law.

Sincerely,



Luisa M. Park, Executive Officer
Office of Public School Construction

Federal Renovation Funds

The Office of Public School Construction received 783 applications for the Federal Renovation Program (FRP) representing over \$160 million in requests during the filing period between March 1st and April 15th of this year. An online application was developed via the Internet, and 39 percent of the applicants took advantage of it for filing simplicity. All applicants will be notified regarding the outcome of their application, and further information will be provided for those receiving apportionments. Questions may be directed to Tasha Adame at 916.322.0334.

Sixth Quarter Funding Summary

\$124,036,469 in new construction funding was apportioned at the April 3, 2002 SAB meeting. The next funding quarter will occur at the June 26, 2002 SAB. The final funding quarter for Proposition 1A will occur at the August 28, 2002 SAB.

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OPSC Reminders...

► State Allocation Board Meetings on Wednesday:

June 26, 2002
 July 24, 2002
 August 28, 2002
 September 25, 2002
 October 23, 2002

► State Allocation Board Implementation Committee Meetings for 2002*

Thursday, June 6 -- 10:00am - 4:00pm
 Friday, June 7 -- 8:00am - 2:30pm
 Chaffey Joint Union School District Board Room, 211 West 5th Street, Ontario

Tuesday, July 9 -- 1:00pm - 6:00pm
 Wednesday, July 10 -- 8:00am - 2:30pm
 Lake Tahoe Unified School District Board Room,
 1021 Al Tahoe Blvd., South Lake Tahoe

Thursday, August 1 -- 10:00am - 4:00pm
 Friday, August 2 -- 8:00am - 2:30pm
 Sacramento - Location TBA

Thursday, September 5 -- 10:00am - 4:00pm
 Friday, September 6 -- 8:00am - 2:30pm
 Ontario - Location TBA

Friday, October 4, Sacramento - Location TBA
 Friday, November 1, Ontario - Location TBA
 Wednesday, December 4, Sacramento - Location TBA

► School Facility program - New Construction Application Timelines

Applications accepted by the OPSC after March 29, 2002 and on or prior to June 26, 2002 will be processed for consideration at the August 28, 2002 SAB meeting for the final allocation of Proposition 1A funding. See page 3 for "New Process for Final funding Quarter."

► Joint-use Funding Cycle - July 1, 2001 – May 30, 2002:

Period for Districts eligible to participate in the Lease-Purchase Program funding of Joint-use projects for gymnasiums, multipurpose rooms and libraries (SB 1795).

► Interest Earned Report, Form SAB 180, is due quarterly (March 31, June 30, September 30, December 31) from each county for all districts that have earned interest from the Leroy F. Greene Lease-Purchase Fund.

Proposed Amendments For...

Deferred Maintenance Program Regulations

For the past few months, the Office of Public School Construction (OPSC) has been discussing proposed regulation amendments to the Deferred Maintenance Program (DMP) with the State Allocation Board (SAB) Implementation Committee. At its April 24, 2002 meeting, the SAB adopted the proposed regulation amendments, which were needed as a result of new laws being enacted and inconsistencies between the existing regulations and the SAB policy. The following are some highlights of major program changes:

Basic Grant

- Establishes provisions relating to local school board approval of the Five-Year Plan and a reporting requirement for districts that do not deposit the maximum Basic Grant amount.
- Redefines a school building for county offices of education to include facilities exempt from the Field Act.
- Revises application acceptance timelines to be consistent with the end of the fiscal year.
- Allows deferred maintenance funds to be utilized for purposes of maintaining leased State Relocatable Classrooms.
- Provides districts with more options in spending their Basic Grant by defining "school facilities" as "district owned facilities used for school purposes".

Extreme Hardship

- Establishes application submittal guidelines and the permissible uses of the extreme hardship grant.
- Once the total project cost for a critical project exceeds \$1 million, requires a 50 percent district contribution for any costs above that amount.
- Revises the 90-day reimbursement policy set in April 1997 to state that any construction expenditures incurred before the OPSC determines that the proposed project meets the hardship criteria are ineligible, except for costs associated with temporary measures necessary to immediately mitigate the problem. This enables the OPSC to verify that the proposed project meets the criteria of a hardship project prior to the start of construction.
- Establishes a six-month progress report requirement and timelines for the auditing of critical hardship projects by the OPSC.

In addition to approving the proposed regulations, the SAB also repealed the April 1997 policy. The OPSC anticipates filing the proposed amendments with the Office of Administrative Law to begin the 45-day public comment period in the near future. Please visit the OPSC's Web site to stay posted on the development of the regulations. Since the DMP operates on a fiscal year calendar, the SAB approved OPSC's recommendation to operate under these proposed regulations beginning July 1, 2002 for all complete applications received for the 2002/2003 fiscal year until the regulations are adopted. The OPSC will begin conducting outreach presentations at various locations throughout the State. If you are interested in finding out more about the new regulations and workshops, further information is available on the OPSC Web site at www.opsc.dgs.ca.gov.

* Meeting dates subject to change. Check the OPSC Web site at: www.opsc.dgs.ca.gov for latest dates and times.

Application Filing Date Alert !...

Joint-Use Projects Senate Bill 1795 (Alpert), Education Code Section 17052.

The State Allocation Board (SAB) has a policy for the funding of Joint-Use Projects under the provisions of Senate Bill (SB) 1795, which became law on January 1, 2001.

If your district has the problem of limited space for building new school facilities, the joint-use program could help districts with a solution to combine the use of libraries, multipurpose rooms and gymnasiums with your local agencies. These type of facilities can host a great variety of community activities on weekends and weekday evenings. Adequate library facilities with state of the art computer and media centers can serve both the school site and the surrounding community. Gymnasium facilities can serve community recreational sports leagues as well as district sporting events. Districts can apply for State funding of 50 percent of the construction of the eligible area certified by the CDE.

The California Department of Education's School Facilities Planning Division (CDE/SFPD) establishes a school site's eligible square footage. The current allowances for the State's share of these facilities are \$103 per square foot for a library, gymnasium or multi-purpose room, and \$187 per square foot for toilets and kitchens adjusted for geographic, urban/site size and for the Annual Construction Cost Index.

If you are interested in exploring funding of a new Joint-Use project for your district and have questions regarding how to file a SB 1795 application, please contact Stevan Wood at 916.323.7109 or via e-mail at stevan.wood@dgs.ca.gov, or Brian LaPask at 916.327.0298 or via e-mail at brian.lapask@dgs.ca.gov.

Related Links:

Forms and information about the SAB's SB 1795 Joint-Use Program are available from the OPSC Web site at: www.opsc.dgs.ca.gov. The CDE/SFPD forms are available at www.cde.ca.gov/facilities

Proposition 1A Funds - New Process for Final Funding Quarter

All districts intending to file a SFP new construction funding application for the final quarter should be aware that the **final filing date is Wednesday, June 26, 2002**. These applications will be considered at the August 2002 State Allocation Board (SAB) meeting (not the last business day of June, which differs from the previous quarters).

Before submitting a new construction funding application, districts should fully address and document items such as current CBEDS, separation of Special Day Class, Use of Grants, and/or Site Development requests. The OPSC will be review and process applications that appear to be eligible for funding based upon its priority points. The remaining applications will be processed to the September 25, 2002 SAB, but with an "unfunded" approval date of August 28, 2002 and retention of its original receipt date.

For information regarding the SFP application submittal requirements, please visit the OPSC web site at: www.opsc.dgs.ca.gov/PDF/sfp_sb50/sfp-app-submittal.pdf

Legislative Updates:

SB 575 - Automatic Fire Detection Alarm and Sprinklers (Chapter 725, Statutes of 2001)

Sponsored by Senator O'Connell

Automatic Fire Detection Alarm and/or Sprinkler Systems are required on all new construction and modernization projects submitted to the Division of the State Architect (DSA) after July 1, 2002, for which the districts are requesting School Facility Program funding. The Office of Public School Construction and DSA are working together to develop regulations that will provide guidelines and appropriate levels of funding. We encourage interested parties to provide input at the next State Allocation Board Implementation Committee meeting.

AB 401 - District Owned Site Reimbursement (Chapter 647, Statutes of 2001)

Sponsored by Assembly Member Cardenas

The State Allocation Board (SAB) is required to provide additional School Facility Program funding for site acquisition when a cost-benefit analysis demonstrates that utilizing a district-owned existing non-school site is found to be a more cost effective method of providing facilities to address the district's unhoused pupils. Look for a presentation of this issue at the June SAB meeting.

Proposed Regulation Amendment Resulting From the Attorney General Opinion

At the February 2002 meeting, the State Allocation Board (SAB) directed the OPSC to present an amendment to regulation 185991 (c) so that it would coincide with the Attorney General's (AG) opinion that stated that this regulation was in conflict with the Government Code Section 65995.7. This government code specifies when the SAB is required to notify the Legislature when State funds are unavailable for new construction. In addition, the SAB requested the SAB Legal Counsel to determine if it would be necessary to replace the regulation section to clarify an aspect of the AG's opinion. After review Counsel concluded that the governing statute provides sufficient direction regarding the legislative notification requirements and that a substitute regulation section is not necessary.

Based upon Legal Counsel's opinion, the OPSC presented to the SAB an amendment to existing regulation to repeal subsection (c). The SAB adopted the proposed regulation change and directed the OPSC to begin the regulatory process.

Small School District Outreach

The OPSC is again concentrating its efforts on outreach to Small School Districts, focusing on assisting the smallest of school districts throughout the State, especially those districts that have not had the opportunity to participate in State funding programs. Small school districts are considered to be those with 2,500 or less Average Daily Attendance (ADA). Lisa Constancio, Supervisor of Region 2 and the Deferred Maintenance Program, has been assigned to lead these efforts, with Lauri Lathrop assigned as the Project Manager and resource person.

The goal is to provide information and assistance to all small districts that have not had the resources to familiarize themselves with our program. Recently, surveys were mailed to those districts with 1,000 ADA or less in order to assist OPSC in determining the needs of these particular districts. Additionally, we are contacting districts in the remote areas of the State. The Small School District Outreach Program is offering districts:

- the opportunity to meet one-on-one with staff,
- assistance in completing enrollment data,
- information on completing forms for such programs as the School Facility and Deferred Maintenance Programs, and
- reference materials, such as guidebooks, regulations, and other helpful information.

Many districts are requesting meetings. If you are a small school district and would like more information, or if you have not yet participated in any OPSC programs, you are encouraged to contact Lauri Lathrop at (916) 322-7867 or via e-mail at llathrop@dgs.ca.gov.

Amendments to the Financial Hardship Regulations

The OPSC presented proposed SFP Regulation amendments to address and clarify three financial hardship issues. These amendments will clarify current regulations and in one case, correct an inequity. Highlights of the amendments are as follows:

1. Funding Availability in Previously Approved Hardship Districts

This amendment will clarify the funding availability of previously approved hardship districts by restricting expected contributions of all available facilities funding to a three-year period.

2. Federal Renovation Program

This amendment excludes Federal Renovation expenditures from consideration as available funds for the SFP. The OPSC will exclude FRP-related expenditures from consideration as available funds when:

- A Special Reserve FRP Fund is established; and
- The expenditures for FRP proposes do not exceed the maximum FRP grant amount.

3. Interim Housing Assistance for Districts Denied Financial Hardship Status

The current financial hardship regulations provide that when a school district is unable to meet the specified criteria for financial hardship status, the SAB shall provide classrooms requested under the State Relocatable Program at a reduced rental of \$2,000 per year. This places the district in a position that could force them into having additional financial burden and forces the SAB to deliver a building without regard to whether there are any relocatables available.

As a result, the proposed regulation amendment will read: "The Board may provide classrooms requested under the State Relocatable Program at reduced rental payments of \$2,000 per year."

The SAB adopted the proposed regulation amendments and directed OPSC to begin the regulatory process. Effective on the date of this approval, the SAB directed OPSC to apply the provisions of these regulations to any subsequent financial hardship request.

Should you have any questions regarding these new regulation changes or need assistance regarding financial hardship, please contact Julie Ennis, Audit Supervisor, at julie.ennis@dgs.ca.gov or 916.445.0019.

Construction Cost Indices

Lease-Purchase Program Construction Cost Indices for:
April and May 2002

	04/03/02	04/24/02	05/24/02
Class "B" Buildings	1.43	1.43	1.43
Class "D" Buildings	1.43	1.43	1.43
Furniture and Equipment	1.40	1.39	1.39
Historical Savings Index	9.07	9.07	9.07

Class "B" Buildings: Constructed primarily of reinforced concrete, steel frames, concrete floors and roofs.

Class "D" Buildings: Constructed primarily of wood.

Furniture and Equipment: An index based on an adjustment factor obtained quarterly from the Marshall & Swift Company.

Historical Savings Index: An index derived quarterly from the SAB approved new construction (growth) contract bids. It is the percentage difference between the SAB/OPSC generated construction allowance and the approved contract bid.

Status of Funds

Includes apportionment and adjustments of the April 3 and April 24, 2002 State Allocation Board Meetings

PROGRAM	April 3, 2002		April 24, 2002	
	FUNDS AVAILABLE AS OF 02/27/02	APPORTIONMENTS AND ADJUSTMENTS	APPORTIONMENTS AND ADJUSTMENTS	BALANCE AVAILABLE AS OF 04/24/02
Proposition 1A				
New Construction	692.6	(123.4)	0.0	569.2
Modernization	3.5	0.0	(1.0)	2.5
Hardship	0.0	0.0	0.0	0.0
Facility Hardship (Reserved)	27.0	(0.4)	(9.4)	17.2
Subtotal	723.1	(123.8)	(10.4)	588.9
Prior Bond Funds				
Contingency Reserves	35.7	1.1	0.9	37.7
AB 191	3.2	0.0	0.0	3.2
Subtotal	38.9	1.1	0.9	40.9
Grand Total	762.0	(122.7)	(9.5)	629.8

Note: Amounts are in millions of dollars. Amounts within parentheses () are negative amounts.

Copies of the applicable SAB actions, proposed regulations, and additional information can be located on the OPSC Web site at www.dgs.ca.gov/opsc. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.



Advisory Actions 2002

Office of Public School Construction
1130 K Street, Suite 400
Sacramento, CA 95814



Advisory Actions 2002

Department of General Services
Office of Public School Construction

State Allocation Board Meeting: May 22, 2002
Issue Number 04

Executive Corner



For those districts that are filing funding applications in the last days leading up to June 26, it is important that District Representatives be reachable in the first week of July by OPSC staff in case all elements of an application are not present.

Please refer to other important processing information within this issue.

I also want to commend school districts, OPSC staff and all others involved in the successful allocation of \$103 million in Federal Renovation Program (FRP) funds. Seventy-five percent of the Local Educational Agencies filed an application and 39 percent of the applications were filed online. You can find more information on the FRP apportionments and important school district timelines in this advisory.

We look forward to offering the availability of online applications. The OPSC has developed an online program that will enable school districts to calculate and file new construction and modernization eligibility via the Internet. It is currently in its testing stage. Please refer to the article included in this advisory for more information on how you can participate in the testing process. The OPSC hopes to develop other online tools to help the school districts in the various OPSC application processes.

The State Allocation Board (SAB) Implementation Committee met on June 6 and 7 regarding changes brought about by Assembly Bill 16. Proposed regulation amendments regarding the 60/40 modernization will be presented to the July meeting of the SAB for approval. Upcoming Implementation meetings are listed within this issue and the agendas will be posted on our web site. You are welcome and encouraged to attend.

Sincerely,

Luisa M. Park, Executive Officer
Office of Public School Construction

Alert!

Shortened Review Period

Districts filing new construction funding applications on or prior to June 26, 2002 for consideration of funding at the August 28, 2002 State Allocation Board (SAB) meeting will be subject to a shortened review period. As a result, the following shall be necessary:

- The 15-day letter will be revised to permit districts only 7 days to submit the required information.
- This reduced processing timeline is only for this final quarter. The OPSC will return to the 15-day letter process after this quarter's processing period.
- District Representatives need to be reachable the first week of July in case all elements of an application are not present.
- Please respond promptly to the request to ensure your application is ready to compete for funding at the August SAB meeting.
- Incomplete applications will be returned to the District.

If you have any questions regarding these changes, please contact Gloria Martinez, Application Review Team Supervisor, at (916) 445-0529.

Assembly Bill 16

Assembly Bill (AB) 16 provides for two of the largest School Facility Bonds in California's history as well as the nation. The first bond measure will be placed on the ballot in November 2002 for \$13.5 billion of which \$11.4 billion will be for K-12 and a second bond measure in March 2004 for \$12.3 billion of which \$10 billion will be for K-12.

AB 16 adds several provisions to the existing School Facility Program. It establishes a joint-use program with \$50 million in each bond and a new program for Critically Overcrowded Schools. It will also provide supplemental assistance for energy efficiency and additional modernization allowances for schools that are over 50 years old.

The Office of Public School Construction (OPSC) has established an accelerated implementation plan to develop emergency regulations prior to the November 5, 2002 election. The OPSC is holding a series of two day meetings of the State Allocation Board's Implementation Committee to present proposed regulation language resulting from AB 16. The schedule and agenda for these meetings can be found on our Web site at www.dgs.ca.gov/opsc.

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OPSC Reminders...

► State Allocation Board Meetings on Wednesday:

June 26, 2002
 July 24, 2002
 August 28, 2002
 September 25, 2002
 October 23, 2002

► State Allocation Board Implementation Committee Meetings for 2002*

Tuesday, July 9 -- 1:00 pm - 6:00 pm
 Wednesday, July 10 -- 8:00 am - 2:30 pm
 Lake Tahoe Unified School District Board Room,
 1021 Al Tahoe Blvd., South Lake Tahoe

Thursday, August 1 -- 10:00 am - 4:00 pm
 Friday, August 2 -- 8:00 am - 2:30 pm
 Sacramento - Location TBA

Thursday, September 5 -- 10:00 am - 4:00 pm
 Friday, September 6 -- 8:00 am - 2:30 pm
 Ontario - Location TBA

Friday, October 4, Sacramento - Location TBA
 Friday, November 1, Ontario - Location TBA
 Wednesday, December 4, Sacramento - Location TBA

► School Facility Program - New Construction Application Timelines

Applications accepted by the OPSC after March 29, 2002 and on or prior to June 26, 2002 will be processed for consideration at the August 28, 2002 SAB meeting for the final allocation of Proposition 1A funding.

- **Interest Earned Report**, Form SAB 180, is due quarterly (March 31, June 30, September 30, December 31) from each county for all districts that have earned interest from the Leroy F. Greene Lease-Purchase Fund.

* Meeting dates subject to change. Check the OPSC Web site at: www.opsc.dgs.ca.gov for latest dates and times.

Federal School Repair And Renovation Program Apportionments

The Office of Public School Construction received 783 Federal Renovation Program (FRP) applications totaling \$162,101,090 by the final filing date of April 15, 2002. The State Allocation Board (SAB) apportioned 410 of these applications worth \$103,617,782 at its May 2002 meeting.

The applications were approved and apportioned by the SAB in descending order of priority points, for each category, per the FRP Regulations as follows:

Funding for Category A (186 projects High Poverty/High Poverty & Rural)	\$ 57,974,385
Funding for Category B (79 projects Rural Only)	\$ 7,093,251
Funding Remaining for Category C (145 projects Non-High Poverty or Rural)	\$ 38,550,146
Total FRP Apportionments	\$ 103,617,782

It is critical for applicants to know that the Federal law requires that grant recipients sign contracts for services and work no later than September 30, 2003, in order to retain these grant funds. There is no provision to extend this timeline. Grant recipients must also be aware of the following required timelines:

- May 21, 2003 Last day to submit first fund release for 50% of grant funds
- September 30, 2003 Last day to sign contracts for services or work
- November 16, 2003 Last day to submit final fund release for remaining grant funds

As part of the Regulations, the *Application for Federal Grant*, Form SAB 60-01, requires that the Local Educational Agency make a certification that it "will comply with all laws pertaining to the repair and/or renovation of its school facilities." The Federal Government requires that some specific assurances also be made. The assurances were recently mailed to the FRP grant recipients and can also be located on our Web site at: www.documents.dgs.ca.gov/OPSC/PDF-OnGoing%20Updates/FRPAssurances_Req_6-20-02.pdf.

Should you have any questions, please contact Chris DeLong at chris.delong@dgs.ca.gov / 916.322.5263 or Tasha Adame at tasha.adame@dgs.ca.gov / 916.322.0334.

“Show Me The Money!!!”

We'd like to remind districts to keep a close eye on requesting release of its money. School districts with School Facility Program (SFP) apportionments will want to be certain to request a fund release prior to the 18-month timeline. The law requires a district to submit its *Fund Release Authorization*, Form SAB 50-05, within the 18 months of its apportionment date or its apportionment will be rescinded. The law does not provide for any extensions to the 18-month time period.

Be on the look out for a series of three reminder letters sent to the districts as a service from Office of Public School Construction (OPSC). After the third reminder letter, the OPSC will require that a copy of the signed construction contract be included with the fund release request. Also, following the third reminder letter, the OPSC will contact the district by telephone to remind the district to submit its fund release request.

Should you have questions regarding the SFP requirements, please contact your Program Manager. Should you require assistance in completing the *Fund Release Authorization*, Form SAB 50-05, or for contract clarification, please contact Laurie Stetson, Accounting Supervisor, at 916.322.0140/lstetson@dgs.ca.gov. A copy of Form SAB 50-05 can be located on the OPSC Web site at www.dgs.ca.gov/opsc

New Online Eligibility Application for the School Facility Program

The Office of Public School Construction (OPSC) recently developed and is looking forward to releasing an online application for the School Facility Program's eligibility determination process. This new web application automates the *Enrollment Certification/Projection*, Form SAB 50-01, *Existing School Building Capacity*, Form SAB 50-02, and *Eligibility Determination*, Form SAB 50-03. This online application does everything the Excel version does, which we plan to eventually phase-out. After the district inputs its data, the application instantly calculates the district's eligibility for both new construction and/or modernization. It also transmits the data to the OPSC's database and populates an Adobe PDF version of the forms for printing and signature by the district. The application also allows the district to input and access its eligibility information online at any time as well as make changes.

Filing eligibility online will eliminate the use of outdated forms from previous downloads. It is also anticipated that using the online application will reduce the OPSC processing time of the district's application. We anticipate going live with the online eligibility program soon. Districts that are interested in participating in preliminary testing may contact Todd Hoig at: 916.322.4205/todd.hoig@dgs.ca.gov.

Status of Funds

Includes apportionment and adjustments of the May 22, 2002 State Allocation Board Meeting.

PROGRAM	Funds Available as of:	Apportionments and	Balance Available as of:
Proposition 1A	4/24/02	Adjustments	05/22/02
New Construction	569.2	(2.7)	566.5
Modernization	2.5	0.0	2.5
Facility Hardship (Reserved)	\$17.2	1.6	18.8
Subtotal	588.9	(1.1)	587.8
Prior Bond Funds			
Contingency Reserves	37.7	3.9	41.6
AB 191	3.2	0.0	3.2
Subtotal	40.9	3.9	44.8
Grand Total	629.8	2.8	632.6

Note: Amounts are in millions of dollars. Amounts within parentheses () are negative amounts.

Construction Cost Indices

Lease-Purchase Program Construction Cost Indices for:
May 2002

Class "B" Buildings	1.43
Class "D" Buildings	1.43
Furniture and Equipment	1.39
Historical Savings Index	9.07

Class "B" Buildings: Constructed primarily of reinforced concrete, steel frames, concrete floors and roofs.

Class "D" Buildings: Constructed primarily of wood.

Furniture and Equipment: An index based on an adjustment factor obtained quarterly from the Marshall & Swift Company.

Historical Savings Index: An index derived quarterly from the SAB approved new construction (growth) contract bids. It is the percentage difference between the SAB/OPSC generated construction allowance and the approved contract bid.

Copies of the applicable SAB actions, proposed regulations, and additional information can be located on the OPSC Web site at www.dgs.ca.gov/opsc. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.



Advisory Actions 2002

Office of Public School Construction
1130 K Street, Suite 400
Sacramento, CA 95814



Advisory Actions 2002

Department of General Services
Office of Public School Construction

State Allocation Board Meeting: June 26, 2002
Issue Number 05

Executive Corner



The Office of Public School Construction (OPSC) is committed to keeping you updated on items that affect your districts. The articles in the OPSC Advisory Actions Newsletter focus on issues that are presented at the SAB meetings.

In keeping with this goal, we have added a supplement regarding Assembly Bill 16 (AB 16). Changes in the regulations and procedures affected by AB 16 are brought to the SAB Implementation Committee for discussion before being presented to the SAB. The supplement contains the status of these discussion items.

We plan to present the complete regulation package at the September SAB Meeting for adoption. However, some of the provisions of AB 16 take effect immediately. One example is the new expanded membership of the SAB.

AB 16 expands the members of the State Allocation Board from seven members to ten members giving both the Senate and Assembly an additional member. The Governor also has an additional appointment.

Another example is in the change in the Modernization Program match requirement. Please take a moment to read the Modernization 60/40 article in the supplement.

We hope that you find the information useful when planning projects for your district. In order to keep up with changes, review the AB 16 Supplement in this and future issues of the OPSC Advisory Actions.

Sincerely,

Luisa M. Park, Executive Officer
Office of Public School Construction

Automatic Fire Protection Systems Required For Projects Funded Under School Facility Program

At its meeting on June 26, the State Allocation Board (SAB) adopted regulations to implement Senate Bill (SB) 575 (Education Code Sections 17074.50 through 17074.56) and directed the Office of Public School Construction (OPSC) to file these regulations on an emergency basis. SB 575 requires most new construction and modernization school district plans submitted to the Division of the State Architect (DSA) on or after July 1, 2002 to include an automatic fire detection and alarm system. In certain instances, new construction projects will also require an automatic sprinkler system.

A new construction project is required to include an automatic fire detection, alarm and sprinkler system and is defined as follows:

- New campus, consisting of one or more buildings, on a new site where plans are submitted to the DSA on or after July 1, 2002.
- An addition to a new campus and plans are submitted to the DSA on or after July 1, 2002.

A modernization project is required to include an automatic fire detection and alarm system and is defined as follows:

- Any modification of a permanent structure on an existing campus. Existing campus is defined as a campus plan submitted to the DSA prior to July 1, 2002.
- The estimated cost is more than \$200,000 and plans are submitted to the DSA on or after July 1, 2002.
- Construction of a new building(s) on an existing campus and plans are submitted on or after July 1, 2002.

The law required the SAB to adjust the per pupil grant amounts provided under the School Facility Program to pay the State's share of the additional costs associated with these fire code requirements. This additional State funding is also available for new construction and modernization projects (commonly referred to as "grandfathered" projects) if the projects meet the following requirements:

- Final plans are submitted to the DSA on or after September 1, 2001, and
- The project includes or will include a qualifying fire alarm, fire alarm detection and/or sprinkler systems prior to completion, and
- The project has not been fully funded prior to July 1, 2002

Since the SAB will be apportioning new construction projects with the remaining Proposition 1A funds at its meeting on August 28, 2002, some "grandfathered" projects may be eligible for an apportionment on that date. Therefore, on June 19, 2002, the OPSC sent letters to all school districts that had new construction projects on either an "OPSC Unfunded" or "OPSC Workload" lists to advise them that they may meet the "grandfathering" provisions as set forth in the law, and how to apply for the additional grant.

Although the OPSC is addressing only new construction projects at this time, any modernization project that meets the "grandfathering" provisions will be able to request and receive this additional funding should additional modernization funding be made available to the State. The OPSC will be providing direction for those projects in the near future.

For more information on how to apply for this additional funding, please contact your OPSC Project Manager for assistance.

OPSC Reminders...

► State Allocation Board (SAB) Meetings*

Wednesday, July 24, 2002
 Wednesday, August 28, 2002
 Wednesday, September 25, 2002
 Wednesday, October 23, 2002
 November and December meeting to be announced (TBA)

► SAB Implementation Committee Meetings*

Thursday, August 1 - 10:00am to 4:00pm,
 Sacramento, TBA
 Friday, August 2 - 8:00am to 2:30pm,
 Sacramento, TBA
 Thursday, Sep 5 - 10:00am to 4:00pm,
 Ontario, TBA
 Friday, September 6 - 8:00am to 2:30pm,
 Ontario, TBA
 Friday, October 4 - Sacramento
 Friday, November 1 - Ontario
 Friday, December 4 - Sacramento

► Interest Earned Report (Form SAB 180)

Due quarterly (March 31, June 30, September 30, December 31) from each county for all districts that have earned interest from the Leroy F. Greene Lease-Purchase Fund.

► Project Tracking Number

Project Tracking Number (PTN) required on specified forms effective October 1, 2001.

* Meeting dates subject to change. Check the OPSC Web site at www.dgs.ca.gov/opsc for latest dates

Parking Garage Solution

Does your project design have a parking problem? Recent actions by the State Allocation Board (SAB) may provide assistance. At the June 26, 2002 SAB meeting, the Board adopted a proposed amendment to Regulation Section 1859.76 that further clarifies the definition of a qualifying parking structure. Existing language in Section 1859.76 (a)(11), specifically the term "multilevel," prevented the Office of Public School Construction (OPSC) from interpreting the regulation to allow certain design alternatives. The intent of multilevel parking structures was to allow projects on impacted sites the ability to conserve open space in order to accommodate building or playground area. With this proposed amendment, those school district projects located on unique sites have additional alternatives to build underground parking structures as well as above-ground parking structures that also have buildings or playgrounds on upper levels. The Board directed staff to accept this as operating policy while the regulation amendment is going through the approval process. If you have any questions you can contact your project manager.

Federal Renovation Program (FRP) Summary of Actions and Timelines for Fund Release

"What's next?... It's elementary

Congratulations to all the Local Educational Agencies (LEA) that were apportioned a Federal Renovation Program (FRP) grant! Grant recipients may now wonder, "What's next?" It's elementary.

First, Grant recipients must ensure that they receive public comment on the use of funds keeping in mind the permissible and non-permissible use of funds as detailed in Regulation Sections 1859.208 and 1859.209.

Second, after the school board determines the projects to be constructed, contract documents must be developed and approved by the Division of State Architect and California Department of Education, if required, as necessary to complete the projects.

Third, since the FRP is a reimbursement program, once the grant recipient has contracted the work and spent the equivalent of 50% of the FRP grant award,

50% of the FRP funds may be requested to be released. In order to release the funds, the Fund Release Authorization (Form SAB 60-02) must be completed and submitted to the OPSC. Grant recipients have until May 21, 2003 to request the initial fund release.

After the grant recipient has spent the equivalent of 100% of the FRP funds, the remaining 50% of the FRP funds can be released. Grant recipients have until September 30, 2003 to sign all contracts for services or work and until November 16, 2003 to request the final fund release.

Lastly, the grant recipient must report how the funds were spent within 270 calendar days after the first fund release. Expenditures should be reported on the Expenditure Report (Form SAB 60-03). The OPSC will then conduct an audit.

The forms and regulations are located on the OPSC Web site at: www.dgs.ca.gov/opsc.

Should you have any questions, please contact Tasha Adame at: tasha.adame@dgs.ca.gov / (916) 322-0334, or Chris DeLong at: chris.delong@dgs.ca.gov / (916) 322-5263.

AB 1402 - Design/Build

Assembly Bill (AB) 1402 became law on January 1, 2002. This law allows school districts to use the Design/Build as an alternative delivery method for new construction and modernization projects that exceed \$10 million. As with other delivery methods, districts that choose to use the Design/Build delivery method and apply for State funding will still be subject to all the laws, regulations and policies of the School Facility Program. To help school districts with the Design/Build process and be compliant with laws and regulations the California Department of Education (CDE) has developed a guidebook. The guidebook is available on the CDE's website at www.cde.ca.gov/cdepress/downloads.html. While the suggestions provided in this guidebook are not mandatory, the guidebook should be considered required reading if the Design/Build delivery method is being contemplated.

Alert!

Shortened Review Period

Districts which filed new construction funding applications on or prior to June 26, 2002 for consideration of funding at the August 28, 2002 State Allocation Board (SAB) meeting will be subject to a shortened review period. As a result, the 15-day letter was revised to permit districts only 7 days to submit the required information. This reduced processing timeline was only for this final quarter. The OPSC will return to the 15-day letter process after this quarter's processing period. District Representatives need to be reachable in case all elements of an application are not present. You will need to respond promptly to the request to ensure your application is ready to compete for funding at the August SAB meeting.

State Relocatable Classroom Leases Must be Renewed

LEASE RENEWALS - The leases expire on August 31, 2002 for all State relocatable classrooms and infant/preschool and childcare relocatables. In July, 2002 there will be a notification to every school district, county superintendent, and child care agency currently leasing State relocatable classrooms, for the purpose of renewing the leases effective September 1, 2002.

The State Relocatable Classroom Program (SRCP) provides standard classroom facilities for kindergarten through 12th grade pupil housing needs, plus a smaller number of facilities for infant, preschool, and child care needs. The State Allocation Board (SAB) grants qualifying districts approval to lease standard classrooms for \$4,000.00 per year. This summer is the time for Program participants to assess their relocatable housing needs and renew the leases for needed buildings. For relocatables which are no longer needed, written notice of return should be sent to the Office of Public School Construction (OPSC), attention Robert Young (916) 445-0083.

Building placement. A recent SRCP change calls for receiving districts and their architects to place arriving buildings at least four feet apart, rather than two feet apart as previously required. This change provides additional space to meet access compliance on the ramp. This is a certification item on the latest SAB Form 25-3, revised March, 2002.

Form changes. The forms have been updated and are available in PDF format on the OPSC Web site. Applicants must use the latest forms:

- Eligibility Worksheet (Form SAB 25-1), revised 01/02.
- Application To Lease State Relocatable Classroom(s) For School District/ County/ Superintendents of Schools (Form SAB 25-2), revised 01/02.
- Site Readiness Notification (Form SAB 25-3), revised 03/02.
- Certification for Reimbursement (Form SAB 25-4), revised 03/02.
- Enrollment Certification/Projection (Form SAB 50-01). If the district is applying for Priority A, Standard Eligibility, attach the SAB 50-01 for the current year's pupil data.

Ongoing maintenance requirement. Districts leasing State relocatable classrooms are responsible for the upkeep, operation, maintenance, repair, renewal, replacement, and repainting of buildings. The district is responsible for the operation and maintenance of the heating, ventilation, and air conditioning system(s), and to keep liability and property damage insurance in effect per the lease agreement. Buildings are not to be altered or put to other uses such as administrative, weight training, storage, etc.

New relocatables to be manufactured. A recent contract award will provide for the manufacture of another 190 new relocatable classrooms in the late summer and fall of 2002, plus up to 10 relocatables to be built meeting sturdier "snowload" standards. The SAB authorized the purchase of 130 additional buildings at the June 26, 2002 meeting.

Use of New Construction Grants

Regulation Section 1859.77.2, Use of New Construction Grant Funds, allows districts greater flexibility in utilizing new construction grants that exceed a project's capacity. It also allows districts to use grants from another grade level to meet housing needs, provided that the district provides a plan that identifies how all pupils are adequately housed in the district.

The Office of Public School Construction (OPSC) has observed an increased frequency in the Use of Grants requests where the District's plan for adequately housing students is by means of a multi-track year round school schedule (MTYRE), specifically when districts create new MTYRE schedules to qualify for the use of grants provisions. The OPSC is concerned that this does not meet the Legislative intent and recommended to the State Allocation Board that the regulations be re-evaluated. This re-evaluation will include the development of a justification process that adequately informs School District Board's as well as the State Allocation Board when MTYRE is being used to qualify for use of grants.

Contingency Reserve Funds In Hot Demand

As the Lease-Purchase Program (LPP) draws to a close, so does a source of funding for key programs and continuing program costs. Multiple demands on an already limited and declining source of revenue made for difficult decisions at the June 26, 2002 State Allocation Board (SAB) meeting.

When Prop 1A sunset the Lease-Purchase Program, available LPP funds were set aside as Contingency Reserve Fund, which is the only source of funding available for:

- Gymnasium and Multipurpose Room Projects - AB191
- Joint Use Projects - SB1795
- Northridge Earthquake Program
- Administrative Expenses
- On-Going project costs for LPP projects still under construction or in the audit process

With demands well in excess of the \$52 million currently available the SAB authorized \$29.9 million for funding Joint Use applications through "Funding Priority Order D" at the July 2002 SAB meeting. OPSC Staff was also directed to present an item at the December 2002 SAB meeting to apportion the remaining Joint Use applications contingent upon AB 16 passing, and to address the administrative expenditures needed for November 2002 through June 2004.

Seventh Quarter Funding Summary

The new construction (NC) projects for the seventh quarter were added to the listing of NC projects on the "unfunded" list from the first six quarters to compete for funding. The Board apportioned \$91 million of new construction funds at the June 26, 2002 SAB Meeting. There is a carryover of \$24,546,959 that will be added to \$450,000,000 to be apportioned in the final allotment.

Status of Funds

Per the June 26, 2002, State Allocation Board Meeting

PROGRAM	BALANCE AVAILABLE AS OF 06.26.02
Proposition 1A	
New Construction	474.4
Modernization	0.0
Hardship	0.0
Facility Hardship (Reserved)	18.2
Subtotal	492.6
Prior Bond Funds	
Contingency Reserves	51.9
AB 191	2.7
Subtotal	54.6
Grand Total	547.2

Amounts are in millions of dollars.

Funds Released from Prop. 203 and Prop. 1A exclusive of June 26, 2002 Agenda

	APPORTIONED	RELEASED/CONTRACTED	BALANCE
Total Prop. 203	\$1,960,548,731	\$1,921,170,143	\$39,378,588
Total Prop. 1A	\$6,097,285,747	\$5,832,922,968	\$264,362,779

Construction Cost Indices

Lease-Purchase Program – Construction Cost Indices for June 2002

Class "B" Buildings	1.43
Class "D" Buildings	1.43
Furniture and Equipment	1.40
Historical Savings Index	9.07

Class "B" Buildings: Constructed primarily of reinforced concrete, steel frames, concrete floors and roofs.

Class "D" Buildings: Constructed primarily of wood.

Furniture and Equipment: An index based on an adjustment factor obtained quarterly from the Marshall & Swift Company.

Historical Savings Index: An index derived quarterly from the SAB approved new construction (growth) contract bids. It is the percentage difference between the SAB/OPSC generated construction allowance and the approved contract bid.

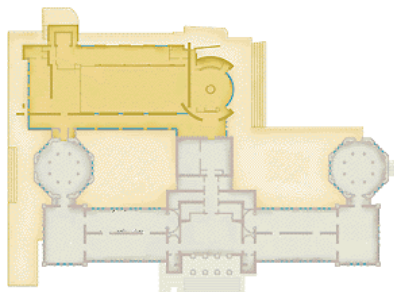
Copies of the applicable SAB actions, proposed regulations, and additional information can be located on the OPSC Web site at www.dgs.ca.gov/opsc. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.



Advisory Actions 2002

Office of Public School Construction
1130 K Street, Suite 400
Sacramento, CA 95814

ASSEMBLY BILL 16 - 2002



Assembly Bill (AB) 16

AB 16 adds several new provisions and modifications to the existing School Facility Program. The OPSC wants to keep school districts continuously updated with the progress of AB 16, review this insert in the upcoming “OPSC Advisory Actions” to keep informed on AB 16 information.

Assembly Bill (AB) 16 provides for the two largest school facility bonds in California’s history. When Governor Davis signed AB 16 into law it contained an urgency clause. The OPSC has established an accelerated implementation plan to develop these emergency regulations and to present a complete package at the September SAB meeting for adoption.

The OPSC anticipates that the regulations to implement this program will be in place prior to the November 5, 2002 election. A series of two day meetings of the SAB’s Implementation Committee have been scheduled to discuss the proposed regulations. A schedule of the Implementation Committee meetings can be found on page 4.

Education Facilities Bond Proposals 2002–2004

Program	Bond 2002: \$13,050,000,000		Bond 2004: \$12,300,000,000	
New Construction	\$ 3,450,000,000	(\$100 million: charter schools ¹) (\$ 25 million: housing assistance ²) (\$ 14.2 million: energy incentive ³)	\$ 5,260,000,000	(\$300 million: charter schools ¹) (\$ 25 million: housing assistance ²)
Modernization	\$ 1,400,000,000	(\$ 5.8 million: energy incentive ³)	\$ 2,250,000,000	
New Construction Backlog	\$ 2,900,000,000		—	
Modernization Backlog	\$ 1,900,000,000		—	
Critically Overcrowded Schools (COS)	\$ 1,700,000,000		\$ 2,440,000,000	
Joint Use	\$ 50,000,000		\$ 50,000,000	
Total K–12	\$ 11,400,000,000		\$ 10,000,000,000	

¹ An up to amount specified for charter school applications contingent on subsequent legislation.
² Housing assistance funding only if 2002 housing bond fails. If approved, these amounts will revert to the new construction category.
³ A total of up to \$20 million from each bond may be used to increase the grants for projects with qualifying energy efficiency provisions. It is anticipated that the \$20 million amount will be funded as follows: \$14.2 from new construction and \$5.8 from modernization.

Inside this issue...

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Modernization 60/40

One of the major components of AB 16 impacts the modernization program and shifts the district's matching share requirement from 80/20 to 60/40 for those applications received by the OPSC after March 15, 2002.

For example, the 80/20 matching share requirement for an elementary pupil resulted in a total state/district grant of \$2,807 or \$2,246 from the state and \$561 from the district. Using the same example for the 60/40 matching share requirement, the state/district grant is \$3,743 or \$2,246 from the state and \$1,497 from the district. Note that the dollar value of the state share is unchanged in either case, but the school district share increases.

If a district's Modernization funding application was submitted after March 15, 2002, and it is either on the "unfunded" list or currently being processed, the district may request, within 60 days of the approval of the regulations by the Office of Administrative Law (OAL), either of the following without loss of original submittal date:

- To agree to the additional district match by submitting a new Application for Funding, Form SAB 50-04. The fact that the district met the 60 percent commensurate test on the previous 80/20 application will be accepted as satisfying the requirement for the 60/40 application.
- To reduce the scope of the project to bring costs within the district match available for a 60/40 application by submitting a new Form SAB 50-04. The district may request fewer than the 101 grants minimum, or the remaining eligibility at the site if necessary. Regulation Section 1859.79.3 will be amended to accommodate these specific projects.

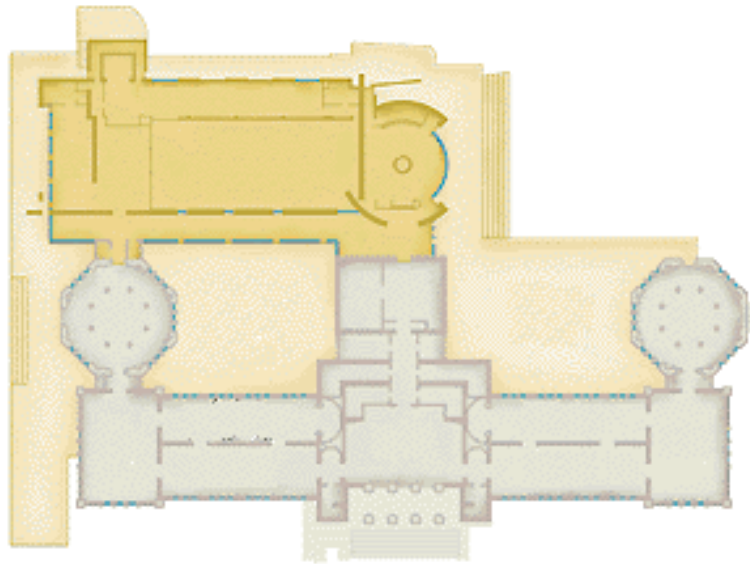
If the district received an apportionment for design on or before March 15, 2002 and submits the subsequent adjusted grant application for that project after March 15, 2002, but before the OAL approves these regulations, the district may elect to receive fewer pupil grants than contained in the design application, the district minimum requirement of 80 percent (modernization) in Regulation Section 1859.81.1 will be waived.

Status: The proposed regulations regarding this change will be presented at the July 24, 2002 meeting of the State Allocation Board for adoption.

Modernization of 50 Year-Old Buildings

Renovating buildings over 50 years old usually involves extensive additional costs compared to buildings that are less than 50 years old. AB 16 provides for an additional per-pupil allowance for the increased costs of modernizing buildings over 50 years old that have never been modernized with state funding.

Status: The OPSC is recommending an increased grant as well as proposing additional grants for utility upgrades. To be discussed at the August Implementation Committee meeting.



Vocational and Technical Facilities Consideration

Districts must certify they have considered the need for vocational and career technical facilities in consultation with their career technical advisory committee prior to submitting a funding application for large construction and modernization projects. "Large" is not defined in relationship to pupil grants. In the absence of any criteria it is proposed that the following definition apply:

- "Large New Construction Project" shall mean the construction of a new comprehensive high school or an addition for more than 200 pupil grants. Community Day Schools and Continuation High Schools are exempt from this requirement if they are not comprehensive schools.
- "Large Modernization Project" shall mean a funding application for a comprehensive high school that serves any grades 7-12 requesting grants for at least 50 percent of the enrollment at the site.

Since the School Facilities Program was developed to expedite the state application process for school facility needs, give districts more control over local issues and minimize state regulatory oversight, it is recommended that the Application for Funding (Form SAB 50-04), Certifications, Section 17 be amended to include a self certification.

Status: The above recommendations will be presented at the September meeting of the State Allocation Board.

Energy Efficiency Additional Grant

Grant adjustment for the increased costs associated with plan design and other project components for school facility energy efficiency are provided in Education Code Section 17077.35. Those components that are eligible include conservation, load reduction technologies, peak-load shifting, and other technologies that meet emerging technology eligibility criteria.

The Division of the State Architect will review and validate the energy efficient project and determine the percentage that it exceeds the energy requirements of Title 24 Part 6 of the California Code of Regulations. The district will report that percentage on the Application for Funding, Form 50-04, which will be revised to conform with this provision.

AB-16 allows no more than \$20 million of each bond to be allocated for the costs of energy efficiency. Based on the total funding available of \$4.85 billion for both new construction (\$3.45 billion) and modernization (\$1.4 billion), it is being proposed that the allocation of the \$20 million would be \$14.2 million for New Construction and \$5.8 million for Modernization.

Status: The above recommendations will be presented at the September meeting of the State Allocation Board.

Developer Fee Notification

Even though the funds from Proposition 1A will be depleted after August 28, 2002, AB 16 suspends the State's "lack of funding" declaration and the school district's ability to levy the Level III fees until such time as a prospective bond issue fails.

For clarification purposes, the "lack of funds" Board declaration will only be made when:

- A prospective bond issue is rejected by the voters; and
- The State Allocation Board is unable to make an apportionment for the next approvable new construction project in line for funding.

Status: OPSC will develop a process by which districts will be notified and Level III fees accounted for if it becomes necessary.

Attendance Area Definition

Districts that are planning to file an application on a High School Attendance Area (HSAA) basis should be aware that there must be an existing and operating high school in each attendance area. This amendment deletes "or proposed" in the definition of "Attendance Area".

Status: Additional criteria will be discussed at the August Implementation Committee meeting.

Priority Points Modification

The legal mechanism to rank new construction funding projects based on priority points is provided in Education Code 17072.25. This statute now added subsection (d) that states, "this section shall apply only to projects funded with the proceeds of state bonds approved by the voters prior to January 1, 2002."

Currently, the OPSC provides funding for new construction applications from Proposition 1A funds. Utilizing this mechanism, the remaining Proposition 1A funds will be apportioned at the August 28, 2002, meeting of the State Allocation Board. All projects that did not qualify for new construction funding on or before August 28, 2002, due to insufficient priority points, have, or will receive unfunded approval.

Regulation 1859.91 and 1859.92 will be amended to state "this regulation section shall apply to all projects funded with the proceeds from State bonds approved by the voters prior to January 1, 2002,"

It is recommended that new Regulation Section 1859.93.1 be added as follows:

"All New Construction applications not funded with the proceeds from state bonds approved by the voters prior to January 1, 2002 shall be funded in the order of receipt of an Approved Application for funding." This does not apply to the new Critically Overcrowded Schools (COS) provision of AB 16 which has specific language requiring first funding to those source schools with the highest pupil density.

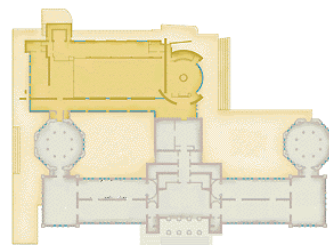
Status: These above proposed changes to the regulations will be presented at the September meeting of the State Allocation Board.

Financial Hardship - Bonding Requirement

Current School Facility Program (SFP) regulations require school districts to substantiate that they have insufficient funds to contribute to their projects and show reasonable efforts in generating local revenue for their project's funding share in order to qualify for financial hardship status and additional state funding. The current SFP financial hardship regulations provide that school districts with a total bonding capacity of three million dollars or less meet one of the tests for "reasonable effort".

Assembly Bill 16 amended and increased the reasonable effort from three million to five million total bonding capacity. This change will allow school districts that have bonding capacities that are over three million but less than five million to also potentially be eligible for SFP financial hardship status.

Status: This proposed change will be presented at the September meeting of the State Allocation Board.



Multitrack Year-Round Educations - High School Districts

This amendment eliminates the MTYRE adjustment for high school districts, so any increase to the existing school building capacity is limited to operational grants if applicable. For example:

If the operational grants are greater than the MTYRE adjustment, the eligibility remains the same; however, if the operational grants are less than the MTYRE adjustment, the eligibility would be increased accordingly.

High school districts that have:

- Funding applications either received by the OPSC or on the unfunded list can not amend the application to increase the pupil grants. A district may withdraw and resubmit an application if it wishes to capture the increase.
- Eligibility applications received on or after April 29, 2002, on the OPSC workload list will be administratively adjusted by the OPSC.
- A district establishing eligibility for the first time can do so without regard to the MTYRE adjustment using a revised Existing School Building Capacity, Form 50-02, which will be amended to conform to this new law.

Status: This amendment will be presented at the September meeting of the State Allocation Board.

Urban Adjustments

Education Code 17075.10 (c) directs the Board to review the increased costs that may be uniquely associated with “urban” construction and shall adjust the per-pupil grant for new construction, or modernization, hardship applications as necessary to accommodate those costs.

Status: The OPSC is in the process of identifying different methodologies that could be used to appropriately identify the added cost that may be associated with “urban” projects. Interested parties are welcome to submit any relevant information to assist in reviewing the allowances. Please contact Dennis Boydston at OPSC at dboydst@dgs.ca.gov / 916.322-0327.

Project Assistance Three Year Sunset Deletion

Project assistance helps mitigate some of the initial costs of new construction and modernization projects. This amendment deletes the sunset clause for project assistance and will allow small school districts to continue to receive funding.

Status: This amendment to the regulations will be presented at the September meeting of the State Allocation Board.

Office of Public School Construction

Executive Officer, Office of Public School Construction / State Allocation Board, Luisa M. Park
Deputy Executive Officer, Office of Public School Construction, Karen McGagin
Assistant Executive Officer, State Allocation Board, Bruce Hancock
1130 K Street, Suite 400, Sacramento, CA 95814
(916) 445-3377 <http://www.dgs.ca.gov/opsc>

Department of General Services

Title by Prejudgment Possession

Education Code 17070.70 has been amended to allow orders of prejudgment possession issued by a court in an eminent domain proceeding to qualify as title to property when submitting applications for new construction site funding.

Districts that include site acquisition as part of their new construction funding application must provide proof of the “purchase price as shown in escrow documents or other appropriate documents such as court orders of condemnation, or as specifically identified in specified agreements when the site is transferred in lieu of other legally required payment fees due to the district.” Regulation Section 1859.74 further requires districts to submit an appraisal made no more than six months prior to the funding application submittal. Funding will be for the lesser of one-half of the site cost, as determined by the aforementioned documents, or the current appraised value. Current regulations allows ownership (title) to be established by court orders of condemnation. A prejudgment possession, as specified in Education Code 17070.70, is a court order in a condemnation case.

Status: This amendment supports OPSC’s current practice.

Small School Lock on Eligibility

A lock on eligibility ensures that during the planning process, a small school district does not have to redesign the project because of a loss in enrollment for a three-year period. The language in Education Code Section 17071.75(f) does not appear to accomplish the author’s intent. Further it conflicts with the existing Education Codes 17072.20(d).

Status: Clean up language will be developed to address this issue and included in the legislative process this year.

Implementation Committee Meetings

AB-16 Discussion Items Scheduled for August 1 and 2, 2002:

- Attendance Area, Change in Definition
- Modernization, 50-Year Old Buildings
- Draft Regulations for AB 16
- Critically Overcrowded Schools

Assembly Bill (AB) 16

State Allocation Board and Implementation Meeting Schedule

Implementation Meetings	..	Aug 1-2	SAB Meetings	.....	Jul 24
	...	Sep 5-6		.....	Aug 28
	.....	Oct 4		.....	Sep 25
	....	Nov 1		.....	Oct 23

Election Day Nov 5



Advisory Actions 2002

Department of General Services
Office of Public School Construction

State Allocation Board Meeting: July 24, 2002
Issue Number 06

Executive Corner



Although July was not a funding quarter for new construction (NC) projects, it was an exciting month for many school districts that received Joint-Use library, gymnasium, or multi-purpose room project apportionments made by the

State Allocation Board (SAB). The 31 projects funded represent districts large and small, rural and urban, from all parts of California.

The new construction apportionments at the August SAB meeting will essentially exhaust the new construction funds available from Proposition 1A. The current unfunded new construction and modernization lists demonstrate school districts' continued need for funds. Included as an insert in this Advisory Actions issue is a listing by district that combines new construction and modernization totals of "unfunded" approvals and OPSC Workload projects.

This advisory also includes an article provided by the State and Consumer Services Agency regarding the School Energy Efficiency (SEE) program that may be especially interesting to Central Valley school districts.

Don't miss reading the information on Assembly Bill (AB) 16 in our insert. It will keep you updated on the process for implementing AB 16 requirements.

Sincerely,

Luisa M. Park, Executive Officer
Office of Public School Construction

Joint-Use (Lease-Purchase Program) Library, Gymnasium and Multi-purpose

By Brian LaPask
PROJECT MANAGER

The second funding cycle for Joint-Use projects was a great success, resulting in a total of 31 projects funded at the July SAB Meeting. The SAB previously set aside \$29.9 million to fund those Joint-Use projects through funding priority order "D". The remaining 14 projects in funding priorities "E" or "F" (totaling \$10.5 million) will be presented to the SAB in December, contingent upon the passage of Assembly Bill (AB) 16.

A wide variety of districts took advantage of the second funding cycle. Large and small, rural and urban districts, from way up North to way down South, applied for either a gymnasium, multi-purpose room or library. Projects ranged from small 1,200 square foot library additions to huge state-of-the-art multi-purpose facilities. In addition to State grants, many districts obtained funding from their Joint-Use partners to help build these projects, making them true joint ventures between State, School District and Joint-Use Partners for the communities involved.

Keeping in mind the new proposed Joint-Use program under AB 16, districts may want to explore Joint-Use as a possible beneficial option. Be on the lookout for implementation of AB 16 to learn more about the types of Joint-Use options available.

For more information regarding Lease-Purchase Program Joint-Use projects, visit the OPSC Web site at www.opsc.dgs.ca.gov, or contact Brian LaPask at: brian.lapask@dgs.ca.gov / 916.327.0298, or Stevan Wood at: stevan.wood@dgs.ca.gov / 916.323.7109.

Assembly Bill 401 (Cardenas) District-Owned Site Cost

Does your district currently own a site which is used for non-school purposes, yet it is the perfect spot for a new school? The State Allocation Board (SAB) approved regulations to implement Assembly Bill (AB) 401 (Cardenas), which could be the answer.

Prior to this law, a district using a district-owned site for the construction of a new school would be eligible for State funding equal to one-half of the lesser of the appraised value of the site, or one-half of the actual cost of the site.

AB 401 provides 50 percent State funding of the appraised value of a district-owned site when a School Facility Program (SFP) funded new school will be constructed on the site, and if all of the following criteria are met:

- The district has owned the site for at least five years from the date the SFP application was submitted to the SAB for funding.
- The site was productively used for other than a school site for the five-year period immediately preceding the date the application was submitted to the SAB for funding.
- The SAB has determined that the current use of the site must be discontinued or relocated in order to provide space for the new school.
- The site was not purchased with SFP, Lease-Purchase Program, or Proposition 1A funds.
- The district has completed a cost/benefit analysis that indicates it is more economical to utilize the district-owned site rather than acquire another site in the district.

Questions about the regulations or your district's SFP application may be directed to your OPSC Project Manager.

OPSC Reminders...

- ▶ **State Allocation Board Meetings***
 Wednesday, August 28, 2002
 Wednesday, September 25, 2002
 Wednesday, October 23, 2002
 November and December meeting to be announced (TBA)
- ▶ **State Allocation Board Implementation Committee Meetings***
 Thursday, September 5, 2002
 10:00 am to 4:00 pm
 Friday, September 6, 2002
 8:30 am - 2:30 pm
 West End Educational Center
 Rancho Cucamonga
- Friday, October 4, 2002
 Sacramento, Time and Location TBA
- Friday, November 1, 2002
 Ontario, Time and Location TBA
- Friday, December 4, 2002
 Sacramento, Time and Location TBA
- ▶ **Interest Earned Report (Form SAB 180)**
 Due quarterly (March 31, June 30, September 30, December 31) from each county for all districts that have earned interest from the Leroy F. Greene Lease-Purchase Fund.
- ▶ **Project Tracking Number**
 Project Tracking Number (PTN) required on specified forms effective October 1, 2001.

*Meeting dates subject to change. Check the OPSC Web site at www.dgs.ca.gov/opsc for latest dates and times.

ARTICLE SUBMITTED BY THE STATE AND CONSUMER SERVICES AGENCY



New Energy Efficiency and Education Program Available to Central Valley Schools

The State and Consumer Services Agency (SCSA) recently received a \$4.5 million grant from the Public Utilities Commission to implement the School Energy Efficiency (SEE) Program -- a comprehensive energy education and facility improvement project for Central Valley school districts. The program is comprised of two key components: (1) classroom, professional development, and service learning activities designed to educate students, teachers, and school officials about energy efficiency and (2) school facility project planning designed to provide facility operators and administrators with technical assistance, financing options, and operation and maintenance training. The SEE Program is available to Central Valley school districts in the following counties: Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare.

In the education arena, the SEE Program will:

- Teach students about energy efficiency through energy patrols, energy audits, and project-based learning.
- Apply what students have learned about energy efficiency to help their families and communities reduce energy.
- Sponsor teacher professional development workshops on energy and environmental education.
- Recommend California content standards-based energy education resources that complement the schools' curriculum plan, needs, and budget.
- Integrate energy education activities into existing curricula and events, including the Kid's Flex Your Power Energy Challenge Activity Kit and the SB 373 environmental education process.
- Link learning activities to energy-related facility improvements at the school site.

In the facility improvement arena, the SEE Program will:

- Train facility staff on energy efficient technologies and building practices that reduce energy use.
- Benchmark and track the energy use of district buildings to prioritize energy-efficiency investments.
- Provide comprehensive building energy audits and develop energy efficient retrofit projects.
- Learn how to secure additional project funding.
- Develop technology demonstration classrooms to showcase the installation, operation, and maintenance of energy efficient technologies.

The SCSA is working with a variety of public and private sector partners to implement the educational and facility components of the SEE Program, including the California Energy Commission, California Department of Education, California Integrated Waste Management Board, the Division of the State Architect, the Office of Public School Construction, and the Collaborative for High Performance Schools. For more information about the SEE Program, please contact Claudie Kiti at: ckiti@scsa.ca.gov / (916) 653-4090.

Changes to the Modernization Program from 80/20 to 60/40

Modernization projects submitted for funding after March 15, 2002 require a district contribution match equal to 40 percent of the total project cost. This change was brought about by the enactment of Assembly Bill (AB) 16 (Hertzberg).

The good news is that this bill will not cause the districts to receive less money from the State. Here's why: The State's per pupil grants will remain at the same dollar amounts. Those same grant amounts will now be considered 60 percent. The school district share increases resulting in a higher total project amount.

The OPSC will send letters to districts with applications currently on the Workload List received after March 15, 2002 detailing the options available. The AB 16 regulations allow districts to transition these modernization projects by submitting a new *Application for Funding* (Form SAB 50-04) (Rev. 7/02) and selecting one of the following options:

- Request the same or lesser number of pupil grants and agree to an increased district matching share contribution equal to 40 percent. In this option, the district contribution will exceed the amount required for the original submittal; however, the original architect or design professional certification, which certifies the cost estimate to be at least 60 percent of the total grant amount, will be accepted to comply with the revised grant request.
- Request a reduced number of pupil grants to offset the available district contribution for the project. In this option, the district contribution cannot exceed the amount required in the original submittal.

By selecting one of these options, the district's modernization project can continue without the loss of the original submittal date of the funding application to the OPSC. Please be advised that both options will require the district to receive school board approval in support of the revised Form SAB 50-04.

When the emergency regulations are approved by the Office of Administrative Law, a 60-day timeline will begin, during which affected districts will have to prepare and submit the revised application form. A second letter will be sent to notify districts when the 60-day period begins. Applications received after the emergency regulations become effective will automatically be considered 60/40.

Elevator Grants

To keep the total cost for elevators unchanged, the elevator grants had to be adjusted because of the change to 60/40. Applications received before March 15, 2002 (80/20) are eligible for \$80,000 for each new two-stop elevator required to be included in the project by the Division of the State Architect (DSA), and \$14,400 for each additional stop. Applications received after March 15, 2002 (60/40) are eligible for \$60,000 for each new two-stop elevator and \$10,800 for each additional stop. These amounts will be adjusted annually based on the Class B Construction Cost Index.

Rehabilitation

If a district is determined eligible for an excessive cost hardship grant for rehabilitation, which is funded as a modernization project, the amount provided will now be 60 percent of the costs approved by the SAB.

IMPORTANT NOTICE!!

Senate Bill 575 (O'Connell) Regulations Approved

Regulations for Senate Bill 575 pertaining to fire detection and sprinkler systems in the School Facility Program were approved by the Office of Administrative Law and filed with the Secretary of State with an effective date of August 12, 2002.

Please be advised that the *Application for Funding* (Form SAB 50-04) was amended and reflects a revision date of 07/02. Any application submitted for funding after August 12, 2002 will require the revised form. The regulation text and revised form can be found on the OPSC Web site at www.opsc.dgs.ca.gov.

Small School District Outreach Update

By Lauri Lathrop
PROJECT MANAGER

The OPSC is pleased to offer the Small School District Outreach Program to provide districts the opportunity to meet one-on-one with staff and receive assistance in completing enrollment data, information on completing forms for such programs as the School Facility and Deferred Maintenance Programs, and reference material, such as guidebooks, regulations, and other helpful information. Surveys were mailed in April to those districts with 1,000 Average Daily Attendance (ADA) or less to assist OPSC in determining the needs of these particular districts.

The OPSC will continue to set up appointments and visit districts. If you are an administrator of a small school district and would like more information, or if you have not yet participated in any OPSC programs and would like an outreach visit, you are encouraged to contact Lauri Lathrop at: llathrop@dgs.ca.gov / 916.322.7867. These services are also available to all school districts by contacting your OPSC Project Manager.

Applications Awaiting Funding

The total value of applications awaiting funding is now up to \$6.5 billion. This represents the State apportionment cost of all project applications for new construction and modernization received by OPSC, but not yet funded. These projects include financial, facility and excessive cost hardships, site development, site acquisition costs and separate site and/or design applications.

The "OPSC Unfunded and Workload Amounts" insert reports the total dollar amounts by district. The "Unfunded Amount" represents all projects for new construction and modernization that have been approved by the SAB, but have not yet been funded. The "Workload Amount" represents all projects for new construction and modernization that have been accepted for processing, but have not yet been submitted to the SAB. These costs have not been validated and may increase or decrease.

A detailed workload report is posted bi-weekly and a detailed unfunded list is posted monthly on the OPSC Web site at www.opsc.dgs.ca.gov with up to date information.

Status of Funds

Per the July 24, 2002 State Allocation Board Meeting

PROGRAM	BALANCE AVAILABLE AS OF 07.24.02
Proposition 1A	
New Construction	473.4
Modernization	0.0
Hardship	0.0
Facility Hardship (Reserved)	17.7
Subtotal	491.1
Prior Bond Funds	
Contingency Reserves	21.9
AB 191	2.7
Subtotal	24.6
Grand Total	515.7

The SAB funded \$230,969 for Critical Hardship projects in the Deferred Maintenance Program, and \$27,573 for the Air Conditioning Program.

Funds Released from Prop. 203 and Prop. 1A Prior to the July 24, 2002 Agenda

Total Prop. 203	
Apportioned	\$1,961,829,695
Released/Contracted	\$1,922,946,460
Balance	\$38,883,235
Total Prop. 1A	
Apportioned	\$6,188,840,155
Released/Contracted	\$5,917,180,531
Balance	\$271,659,624

Construction Cost Indices

Lease-Purchase Program – Construction Cost Indices for July 2002

Class "B" Buildings	1.44
Class "D" Buildings	1.44
Furniture and Equipment	1.39
Historical Savings Index	9.07

Class "B" Buildings: Constructed primarily of reinforced concrete, steel frames, concrete floors and roofs.

Class "D" Buildings: Constructed primarily of wood.

Furniture and Equipment: An index based on an adjustment factor obtained quarterly from Marshall & Swift Company.

Historical Savings Index: An index derived quarterly from the SAB approved new construction (growth) contract bids. It is the percentage difference between the SAB/OPSC generated construction allowance and the approved contract bid.

Copies of the applicable SAB actions, proposed regulations, and additional information can be located on the OPSC Web site at www.dgs.ca.gov/opsc. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.



Advisory Actions 2002

Office of Public School Construction
1130 K Street, Suite 400
Sacramento, CA 95814

OPSC Unfunded and Workload Amounts as of July 24, 2002

District	Unfunded Amount	Workload Amount	District	Unfunded Amount	Workload Amount
Ackerman Elem.	\$ 65,691	\$ 566,223	Campbell Union High	\$ 12,482,003	
Acton-Agua Dulce Unified	\$ 1,535,355		Capistrano Unified	\$ 15,998,838	\$ 6,107,189
Adelanto Elem.	\$ 3,150,576		Cardiff Elem.	\$ 1,745,412	
Alameda City Unified		\$ 306,611	Carlsbad Unified	\$ 16,229,114	
Alhambra City Elem.	\$ 31,370,141		Carmel Unified		\$ 5,627,028
Alhambra City High	\$ 24,880,007		Carpinteria Unified	\$ 464,984	
Alisal Union Elem.	\$ 13,400,336		Cascade Union Elem.	\$ 1,013,634	
Allensworth Elem.	\$ 110,477		Castaic Union	\$ 7,503,905	
Alpine Union	\$ 765,626		Castro Valley Unified	\$ 2,209,949	\$ 1,712,986
Alta Loma Elem.	\$ 3,529,460	\$ 900,709	Center Unified	\$ 19,983,919	
Alta Vista Elem.	\$ 251,373		Centinela Valley Union High	\$ 24,363,187	\$ 1,635,974
Alum Rock Union Elem.	\$ 1,322,400		Central Unified	\$ 26,652,246	
Alview-Dairyland Union Elem.	\$ 941,443		Centralia Elem.	\$ 12,694,821	
Alvord Unified	\$ 22,949,444		Chaffey Joint Union High	\$ 60,163,599	
Amador County Unified		\$ 10,128,163	Chatom Union Elem.	\$ 175,709	\$ 398,683
Anaheim City	\$ 37,007,174	\$ 4,149,384	Chawanakee Elem.	\$ 1,367,262	
Anderson Union High	\$ 3,242,365		Chico Unified		\$ 4,917,507
Antelope Valley Union High	\$ 73,779,360		Chino Valley Unified	\$ 62,708,318	\$ 4,790,990
Antioch Unified	\$ 9,923,101	\$ 5,496,640	Chowchilla Union High	\$ 1,896,840	
Apple Valley Unified	\$ 2,174,627		Chula Vista Elem.	\$ 12,108,445	\$ 5,851,219
Arena Union Elem.	\$ 1,563,345		Claremont Unified	\$ 23,907,101	\$ 4,226,840
Atwater Elem.	\$ 2,377,735		Clay Joint Elem.	\$ 312,568	
Azusa Unified		\$ 25,612,442	Clovis Unified	\$ 10,957,697	
Bakersfield City Elem.	\$ 5,570,624		Coalinga/Huron Joint Unified	\$ 4,815,507	
Baldwin Park Unified	\$ 2,613,821		Colton Joint Unified	\$ 4,975,763	
Bass Lake Joint Union Elem.	\$ 222,398		Columbia Elem.		\$ 1,452,082
Beaumont Unified	\$ 83,122,123		Columbia Union Elem.	\$ 907,437	
Bella Vista Elem.	\$ 350,842	\$ 91,363	Compton Unified	\$ 80,263,491	\$ 18,060,228
Bellflower Unified	\$ 4,081,119		Conejo Valley Unified	\$ 15,721,810	\$ 1,252,337
Belmont-Redwood Shores Elem.	\$ 2,038,172		Contra Costa COE	\$ 880,420	
Benicia Unified	\$ 9,819,111	\$ 1,258,358	Corning Union Elem.	\$ 1,720,801	\$ 14,056,355
Bennett Valley Union Elem.	\$ 635,688		Corona-Norco Unified	\$ 38,416,092	\$ 10,590,062
Berkeley Unified		\$ 4,229,021	Cotati-Rohnert Park Unified	\$ 2,442,394	
Berryessa Union Elem.	\$ 12,463,252		Cottonwood Union Elem.	\$ 1,008,807	\$ 638,370
Big Creek Elem.	\$ 333,531		Covina-Valley Unified	\$ 5,772,497	\$ 2,304,411
Bishop Joint Union High	\$ 3,222,299		Culver City Unified	\$ 3,463,464	
Bonsall Union Elem.	\$ 6,962,410		Cupertino Union		\$ 11,106,308
Brawley Elem.	\$ 2,157,537		Curtis Creek Elem.	\$ 1,335,017	
Brawley Union High	\$ 5,596,996		Cuyama Joint Unified	\$ 571,778	\$ 395,617
Brea-Olinda Unified	\$ 6,718,422	\$ 679,626	Davis Joint Unified	\$ 10,991,867	
Brentwood Union	\$ 8,333,534	\$ 2,239,062	Del Mar Union	\$ 13,575,227	
Bret Harte Union High	\$ 3,019,289		Del Norte COE	\$ 3,234,368	
Briggs Elem.	\$ 743,221		Del Norte County Unified	\$ 6,096,671	\$ 229,654
Brittan Elem.	\$ 722,840		Delano Joint Union High	\$ 4,018,155	
Buckeye Union Elem.	\$ 6,053,737		Delano Union Elem.	\$ 2,271,513	
Buellton Union Elem.	\$ 3,092,416		Delhi Unified	\$ 15,164,189	
Buena Park Elem.	\$ 9,964,889		Denair Unified	\$ 1,341,002	
Burbank Unified	\$ 41,518,188		Desert Sands Unified	\$ 9,043,242	\$ 3,975,022
Burlingame Elem.	\$ 530,165		Dixie Elem.	\$ 2,170,429	
Butteville Union Elem.	\$ 844,846		Dixon Unified	\$ 1,766,526	
Byron Union Elem.	\$ 6,334,127		Downey Unified	\$ 15,197,961	
Cajon Valley Union Elem.		\$ 6,771,445	Dry Creek Joint Elem.	\$ 7,034,489	
Calaveras Unified	\$ 2,632,587		Duarte Unified	\$ 2,669,976	\$ 3,683,270
Calexico Unified		\$ 1,482,541	Dublin Unified	\$ 1,256,243	
Calipatria Unified		\$ 4,243,875	Dunsmuir Elem.	\$ 998,199	
Calistoga Joint Unified	\$ 498,149		Earlmarl Elem.		\$ 615,860

District	Unfunded Amount	Workload Amount	District	Unfunded Amount	Workload Amount
East Side Union High	\$ 19,815,927		Hughes-Elizabeth Lakes Union Elem.	\$ 766,192	
Eastern Sierra Unified	\$ 167,093		Huntington Beach City Elem.	\$ 15,239,841	\$ 1,562,710
Eastside Union		\$ 904,589	Huntington Beach Union High	\$ 3,247,516	\$ 12,912,122
El Centro Elem.		\$ 392,426	Hydesville Elem.	\$ 490,144	
El Dorado Union High	\$ 5,120,490		Imperial Unified	\$ 3,016,864	
El Monte City	\$ 24,029,530		Inglewood Unified	\$ 6,493,084	
El Monte Union High	\$ 13,461,446		Jamul-Dulzura Union Elem.	\$ 914,007	
El Rancho Unified	\$ 3,658,408		Jefferson Union High	\$ 3,303,097	
El Segundo Unified	\$ 6,985,890		Jurupa Unified		\$ 31,919,878
Elk Grove Unified		\$ 14,865,780	Kerman Unified	\$ 6,465,778	
Encinitas Union Elem.	\$ 2,090,676		Kern High	\$ 20,287,357	
Escalon Unified	\$ 2,826,937		King City Union Elem.	\$ 2,765,792	
Escondido Union Elem.	\$ 73,188,548		Kings Canyon Joint Unified	\$ 30,038,032	
Etiwanda Elem.	\$ 7,890,369		Kings COE	\$ 1,440,233	
Eureka Union Elem.	\$ 588,402		Kings River Union Elem.	\$ 577,897	
Evergreen Elem.	\$ 12,199,247		Kings River-Hardwick Union Elem.	\$ 24,710	\$ 180,212
Fairfield-Suisun Unified	\$ 31,432,332		Kingsburg Joint Union High	\$ 5,908,845	
Fallbrook Union Elem.	\$ 8,359,177		La Habra City Elem.	\$ 3,484,782	\$ 803,348
Farmersville Unified	\$ 3,925,921		La Mesa-Spring Valley	\$ 12,998,729	
Ferndale Unified	\$ 642,858		Laguna Beach Unified	\$ 3,149,885	
Fieldbrook Elem.		\$ 375,035	Laguna Salada Union Elem.	\$ 4,670,045	
Fillmore Unified	\$ 17,551,489		Lagunita Elem.	\$ 616,520	
Folsom-Cordova Unified	\$ 11,605,994	\$ 6,059,601	Lake COE	\$ 4,400,722	
Fontana Unified	\$ 96,187,873	\$ 6,074,478	Lake Elsinore Unified	\$ 157,839,220	\$ 31,120,050
Forestville Union Elem.	\$ 1,583,708		Lake Tahoe Unified	\$ 4,177,183	\$ 5,702,627
Fortuna Union High		\$ 4,694,813	Lakeside Union Elem.	\$ 1,196,131	
Fountain Valley Elem.	\$ 10,713,630	\$ 5,729,590	Lammersville Elem.	\$ 4,938,848	
Franklin-McKinley Elem.	\$ 8,871,944	\$ 1,829,455	Lancaster Elem.	\$ 4,287,757	\$ 3,897,395
Fremont Union High	\$ 191,323		Las Virgenes Unified		\$ 11,796,840
Fresno COE	\$ 2,330,632		Lassen Union High	\$ 10,134,150	
Fresno Unified	\$ 45,688,141	\$ 5,595,651	Latrobe		\$ 286,252
Galt Joint Union Elem.		\$ 8,930,053	Lawndale Elem.	\$ 12,999,725	
Garden Grove Unified	\$ 3,424,548	\$ 2,685,143	Le Grand Union Elem.	\$ 2,635,404	
Garvey Elem.	\$ 4,311,043		Le Grand Union High	\$ 76,319	
Gateway Unified	\$ 8,454,090		Lemon Grove Elem.	\$ 2,245,840	\$ 1,999,360
Gilroy Unified	\$ 12,174,261		Lemoore Union High	\$ 3,786,589	
Glendale Unified	\$ 24,646,401	\$ 13,881,322	Lennox Elem.	\$ 7,627,576	
Glendora Unified		\$ 4,342,546	Liberty Union High	\$ 3,168,190	
Glenn COE	\$ 92,922		Lincoln Unified	\$ 13,683,772	\$ 1,602,890
Gold Oak Union	\$ 1,147,396		Little Lake City Elem.	\$ 525,384	
Golden Plains Unified	\$ 2,625,120		Live Oak Elem.	\$ 1,217,921	\$ 910,162
Gorman Elem.	\$ 323,501		Livermore Valley Joint Unified	\$ 2,252,687	
Grant Elem.	\$ 4,248,830		Lodi Unified	\$ 69,551,194	\$ 11,619,014
Grant Joint Union High	\$ 22,474,852		Long Beach Unified	\$ 31,718,358	\$ 5,784,586
Grass Valley Elem.	\$ 2,748,549		Loomis Union Elem.	\$ 4,127,296	
Greenfield Union	\$ 6,709,451		Los Alamitos Unified	\$ 12,916,403	
Greenfield Union Elem.	\$ 2,386,610	\$ 9,803,132	Los Altos Elem.	\$ 2,208,673	
Gustine Unified	\$ 6,957,115		Los Angeles COE	\$ 8,475,109	\$ 3,013,550
Hamilton Union Elem.	\$ 1,121,817		Los Angeles Unified	\$ 104,039,478	\$581,472,287
Hanford Elem.	\$ 71,041		Los Banos Unified	\$ 30,787,374	
Hanford Joint Union High	\$ 1,388,812		Los Gatos-Saratoga Jt. Union High	\$ 9,701,940	
Happy Valley Union Elem.	\$ 1,304,751		Lucerne Elem.	\$ 326,036	
Hawthorne Elem.	\$ 5,064,457		Lucia Mar Unified	\$ 24,961,128	
Hayward Unified		\$ 8,777,577	Lynwood Unified	\$ 10,719,639	
Healdsburg Unified	\$ 1,001,274		Madera Unified	\$ 5,459,486	\$ 2,944,106
Heber Elem.	\$ 964,154		Magnolia Elem.		\$ 1,667,925
Hemet Unified	\$ 56,993,147	\$ 23,484,359	Mammoth Unified	\$ 11,327,498	
Hermosa Beach City Elem.	\$ 374,886		Manhattan Beach Unified	\$ 10,899,624	
Hillsborough City	\$ 2,720,001		Manteca Unified	\$ 38,712,552	
Hilmar Unified	\$ 13,914,149		Maple Elem.	\$ 122,595	
Holtville Unified	\$ 7,586,737		Mariposa County Unified		\$ 7,906,490
Hope Elem.	\$ 3,024,315		Mark West Union	\$ 1,277,682	
Horicon Elem.	\$ 586,140		Martinez Unified	\$ 3,028,868	

District	Unfunded Amount	Workload Amount	District	Unfunded Amount	Workload Amount
Marysville Joint Unified	\$ 15,649,697		Palmdale Elem.	\$ 79,978,990	
Maxwell Unified	\$ 1,202,080		Palo Alto Unified	\$ 4,666,494	
McFarland Unified	\$ 520,195		Palo Verde Unified	\$ 3,757,019	
McSwain Union Elem.		\$ 801,894	Palos Verdes Peninsula Unified	\$ 1,093,545	\$ 2,641,264
Mendocino Unified	\$ 2,460,223		Panama-Buena Vista Union	\$ 4,912,298	
Menifee Union Elem.		\$ 5,372,091	Paradise Unified	\$ 1,230,778	
Merced COE	\$ 273,387		Paramount Unified	\$ 60,336,371	
Merced Union High	\$ 5,690,585	\$ 7,545,079	Parlier Unified	\$ 13,862,507	
Mesa Union Elem.	\$ 1,136,356		Pasadena Unified	\$ 15,875,934	
Middletown Unified	\$ 2,380,941		Paso Robles Joint Unified	\$ 5,432,456	
Millville Elem.	\$ 542,160		Patterson Joint Unified	\$ 14,367,624	
Modesto City Elem.	\$ 3,891,252		Penryn Elem.	\$ 439,802	
Modesto City High	\$ 5,034,496		Perris Elem.	\$ 1,975,640	
Modoc COE	\$ 186,732		Perris Union High	\$ 10,147,613	\$ 3,680,945
Modoc Joint Unified	\$ 2,548,515		Petaluma Joint Union High	\$ 2,254,162	
Monrovia Unified	\$ 5,810,463		Pierce Joint Unified	\$ 3,603,417	
Monson-Sultana Joint Union Elem.	\$ 765,626		Pine Ridge Elem.	\$ 371,888	
Montebello Unified	\$ 40,930,238		Piner-Olivet Union Elem.	\$ 3,705,686	
Monterey COE		\$ 844,495	Pioneer Union Elem.	\$ 738,526	
Moreno Valley Unified	\$ 11,584,707		Placentia-Yorba Linda Unified	\$ 47,872,877	
Morgan Hill Unified	\$ 17,916,705	\$ 2,338,786	Placer COE	\$ 281,901	
Morongo Unified	\$ 2,533,912		Placer Hills Union Elem.	\$ 363,477	
Mountain Elem.		\$ 406,615	Placer Union High	\$ 5,276,811	
Mountain Empire Unified	\$ 1,432,360		Pleasanton Unified	\$ 7,973,706	
Mulberry Elem.	\$ 1,029,948		Plum Valley Elem.	\$ 73,155	
Muroc Joint Unified	\$ 2,051,261		Pomona Unified	\$ 9,938,545	
Murrieta Valley Unified	\$ 8,720,541	\$ 11,740,879	Porterville Unified	\$ 10,288,672	
Napa Valley Unified	\$ 1,463,566		Ramona Unified	\$ 31,926,768	
Natomas Unified	\$ 14,181,717		Ravenswood City Elem.	\$ 6,114,852	
Needles Unified	\$ 1,125,675		Red Bluff Joint Union High	\$ 401,469	\$ 6,183,166
New Haven Unified	\$ 17,104,904	\$ 1,876,814	Red Bluff Union Elem.		\$ 1,503,970
New Jerusalem Elem.	\$ 538,990		Redding Elem.	\$ 1,893,358	\$ 1,937,355
Newark Unified	\$ 2,011,183		Redlands Unified	\$ 58,817,472	\$ 3,960,821
Newhall Elem.	\$ 17,902,234		Rescue Union Elem.	\$ 15,027,509	
Newman-Crows Landing Unified	\$ 3,996,220		Rialto Unified	\$ 41,034,975	
Newport-Mesa Unified	\$ 782,492		Richfield Elem.	\$ 51,298	
Nicasio Elem.	\$ 26,772		Richgrove Elem.	\$ 1,059,431	
Norris	\$ 2,690,891		Richmond Elem.		\$ 248,509
Northern Humboldt Union High	\$ 2,968,478		Rim Of The World Unified		\$ 10,322,180
Norwalk-La Mirada Unified	\$ 3,902,479		Rio Elem.	\$ 1,962,625	
Novato Unified	\$ 5,257,715		Rio Linda Union Elem.	\$ 2,117,900	
Nuvview Union	\$ 464,782		Ripon Unified	\$ 2,157,729	
Oak Grove Elem.	\$ 5,757,475	\$ 18,346,371	Riverbank Unified		\$ 4,553,258
Oak Valley Union Elem.	\$ 2,569,772		Riverdale Joint Unified	\$ 1,468,346	
Oak View Union Elem.	\$ 479,484		Riverside COE	\$ 520,101	\$ 5,843,139
Oakland Unified	\$ 33,704,877	\$ 2,670,234	Riverside Unified	\$ 20,254,528	\$ 7,555,518
Oakley Union Elem.	\$ 3,702,346		Rocklin Unified		\$ 6,082,514
Ocean View Elem.	\$ 3,057,307		Rohnerville Elem.		\$ 709,431
Oceanside City Unified	\$ 24,555,279		Romoland Elem.	\$ 1,079,331	
Ojai Unified	\$ 14,992,400		Roseville City Elem.	\$ 11,605,637	
Ontario-Montclair	\$ 25,469,398		Rowland Unified	\$ 64,714	
Orange COE	\$ 2,890,968	\$ 3,738,546	Sacramento City Unified	\$ 9,695,446	\$ 18,810,483
Orange Unified	\$ 1,795,038		Sacramento COE	\$ 1,258,918	
Orinda Union Elem.	\$ 6,813,697		Saddleback Valley Unified	\$ 20,828,974	
Orland Joint Unified	\$ 1,380,925		Salida Union Elem.	\$ 2,732,579	
Oxnard Elem.	\$ 18,868,094	\$ 13,719,258	Salinas City Elem.	\$ 28,866,536	
Oxnard Union High	\$ 28,305,917		Salinas Union High	\$ 9,907,771	\$ 5,824,660
Pacheco Union Elem.	\$ 2,027,023		San Bernardino City Unified	\$ 81,390,961	\$ 6,086,053
Pacific Grove Unified	\$ 3,459,024		San Bernardino COE	\$ 13,093,494	\$ 4,028,789
Pacific Union Elem.	\$ 1,641,482	\$ 1,481,148	San Bruno Park Elem.	\$ 889,588	
Pajaro Valley Unified	\$ 22,240,132		San Carlos Elem.	\$ 4,160,459	
Palermo Union	\$ 1,426,082		San Diego City Unified	\$ 34,606,707	\$ 21,836,654
Palm Springs Unified	\$ 3,314,222		San Dieguito Union High	\$ 6,237,977	

District	Unfunded Amount	Workload Amount	District	Unfunded Amount	Workload Amount
San Francisco Unified	\$ 9,461,354		Tracy Joint Unified	\$ 17,124,843	
San Gabriel Unified	\$ 3,607,008		Travis Unified	\$ 8,147,198	
San Jacinto Unified	\$ 24,380,831	\$ 21,471,926	Tulare City Elem.	\$ 7,107,564	\$ 2,232,899
San Joaquin COE	\$ 18,784,140		Tulare COE	\$ 945,039	
San Jose Unified	\$ 25,971,530	\$ 444,249	Tulare Joint Union High		\$ 4,343,511
San Juan Unified	\$ 9,824,187	\$ 6,710,880	Tulelake Basin Joint Unified	\$ 428,075	
San Leandro Unified	\$ 8,522,763	\$ 3,352,282	Turlock Joint Elem.	\$ 868,646	
San Luis Obispo COE	\$ 13,440,111	\$ 7,697,602	Tustin Unified	\$ 94,860,887	
San Marcos Unified	\$ 21,254,497		Twin Hills Union Elem.	\$ 1,809,409	
San Mateo-Foster City	\$ 10,205,806		Ukiah Unified	\$ 1,290,006	
San Miguel Joint Union Elem.	\$ 1,353,370		Union Hill Elem.	\$ 302,000	\$ 7,152,606
San Rafael City Elem.	\$ 8,010,872		Upland Unified	\$ 41,350,541	\$ 5,598,495
San Rafael City High	\$ 1,646,298		Upper Lake Union High	\$ 1,308,333	
San Ramon Valley Unified	\$ 14,731,222	\$ 958,299	Val Verde Unified	\$ 57,960,771	\$100,761,244
San Ysidro Elem.		\$ 5,415,828	Vallecito Union Elem.	\$ 1,773,235	
Sanger Unified	\$ 1,012,192	\$ 4,649,028	Vallejo City Unified	\$ 31,360,621	
Santa Ana Unified	\$ 71,504,278	\$ 52,283,276	Valley Center-Pauma	\$ 8,605,553	
Santa Barbara Elem.	\$ 4,476,411		Ventura Unified	\$ 8,499,305	
Santa Cruz City Elem.	\$ 5,175,510		Victor Elem.	\$ 299,465	\$ 396,596
Santa Cruz City High	\$ 7,133,851	\$ 4,962,944	Visalia Unified	\$ 6,131,559	\$ 19,681,236
Santa Maria-Bonita	\$ 74,077,987	\$ 15,446,460	Vista Unified	\$ 64,238,802	\$ 37,098,616
Santa Paula Elem.	\$ 5,225,264		Walnut Creek Elem.	\$ 2,001,051	
Santa Paula Union High	\$ 4,749,833		Walnut Valley Unified	\$ 20,118,906	
Santa Rita Union Elem.	\$ 30,287,757		Wasco Union Elem.	\$ 493,516	
Santa Rosa High	\$ 7,431,844		Washington Unified	\$ 3,625,993	\$ 1,366,156
Saratoga Union Elem.	\$ 3,701,005		Washington Union Elem.	\$ 1,639,965	
Saugus Union Elem.	\$ 11,191,472		Weaver Union Elem.	\$ 1,507,993	
Seeley Union Elem.	\$ 1,366,099		Weaverville Elem.	\$ 1,947,101	
Selma Unified	\$ 8,712,697	\$ 2,542,496	West Contra Costa Unified	\$ 12,841,930	
Sequoia Union High	\$ 8,163,669		West Covina Unified	\$ 6,828,177	\$ 2,802,991
Shasta COE	\$ 459,634		West Fresno Elem.	\$ 311,288	
Shoreline Unified	\$ 1,010,140	\$ 1,038,179	West Sonoma County Union High	\$ 2,738,461	
Sierra Unified		\$ 5,895,125	Westminster Elem.	\$ 4,042,641	
Sierra-Plumas Joint Unified	\$ 1,382,627		Westside Union Elem.	\$ 4,709,885	
Simi Valley Unified	\$ 3,128,166	\$ 939,153	Whittier City	\$ 3,731,150	
Snowline Joint Unified	\$ 3,385,754		Whittier Union High	\$ 23,120,134	
Soledad Unified	\$ 812,000		William S. Hart Union High	\$ 94,124,353	
Sonoma COE	\$ 3,995,250		Willits Unified	\$ 4,846,397	
Sonoma Valley Unified	\$ 3,598,657	\$ 1,233,631	Wilmar Union Elem.	\$ 625,062	
Sonora		\$ 230,760	Windsor Unified	\$ 10,838,673	
Soquel Union Elem.		\$ 1,977,774	Winters Joint Unified	\$ 1,526,651	\$ 1,024,949
South Bay Union Elem.	\$ 1,195,484		Woodlake Union Elem.		\$ 1,111,950
South Fork Union	\$ 1,494,434		Woodlake Union High		\$ 1,368,800
South Pasadena Unified	\$ 6,234,174		Woodland Joint Unified	\$ 12,110,861	\$ 19,845,486
South Whittier Elem.	\$ 10,683,177	\$ 2,102,787	Woodville Elem.	\$ 99,207	
Southern Kern Unified	\$ 6,115,740		Yosemite Union High	\$ 1,237,571	
Stanislaus COE	\$ 37,192		Yuba City Unified	\$ 25,950,042	\$ 17,002,373
Stockton Unified	\$ 10,378,875	\$ 1,164,463	Yucaipa-Calimesa Joint Unified	\$ 32,032,614	\$ 35,020,933
Strathmore Union Elem.		\$ 398,683			
Strathmore Union High		\$ 900,875			
Sulphur Springs Union Elem.	\$ 24,268,947				
Summerville Union High	\$ 5,606,761				
Sundale Union Elem.	\$ 2,969,126				
Sunnyvale Elem.	\$ 4,105,058				
Sunol Glen Unified	\$ 148,058				
Sutter COE	\$ 451,689				
Sweetwater Union High	\$ 30,078,215				
Sylvan Union Elem.	\$ 5,334,080				
Tahoe-Truckee Unified	\$ 2,345,898	\$ 10,164,420			
Tamalpais Union High		\$ 13,183,139			
Temecula Valley Unified	\$ 108,563,720	\$ 42,441,243			
Thermalito Union		\$ 1,166,236			
Torrance Unified	\$ 68,472,493				
			Grand Totals	\$ 4,880,332,750	\$ 1,657,582,306

ASSEMBLY BILL 16

Issue Number 2
Advisory Actions July 2002 - Supplemental Insert

Department of General Services

EXTRA! EXTRA! READ ALL ABOUT IT...

This is the second issue of our supplemental insert updating you on the implementation of Assembly Bill (AB) 16. We hope you found the first issue to be informative. If you would like additional details regarding specific issues, you can locate the State Allocation Board Implementation Committee (IC) Issue Papers on the OPSC Web site www.dgs.ca.gov/opsc. We welcome any feedback or suggestions you might have.

JOINT-USE PROGRAM

A new Joint-Use program was created in Assembly Bill (AB) 16 that provides \$50 million from the 2002 Bond, and another \$50 million from the 2004 Bond. The program allows funding for three types of Joint-Use projects.

A Type I must be part of an SFP new construction project and be a collaborative effort with a higher education partner to improve pupil

academic achievement, provide teacher education, or provide childcare facilities.

A Type II must be part of an SFP new construction project that will increase the size or create extra costs beyond that necessary for school use of the multi-purpose room, gymnasium, library, or childcare facility.

A Type III is a Joint-Use project that is either a collaborative effort with higher education to improve academic achievement or provide teacher education, or is a multi-purpose room, gymnasium, library or childcare facility on a school site that does not have an adequate facility of that type.

For a Type I or Type III project that improves pupil academic achievement or provides teacher education, the Joint-Use partner must be an institution of higher education. For a Type II or Type III project that is a multi-purpose room, gymnasium, library or childcare facility, the Joint-Use partner must be a governmental agency, an institution of higher education or a nonprofit organization.

The Joint-Use partner must match fifty percent of the eligible project costs. Anything beyond the eligible project costs are the responsibility of the Joint-Use partner and/or the school district.

The State Allocation Board will start to accept funding applications for the first funding cycle November 5, 2002 through May 30, 2003, and pending the passage of Proposition 47, make apportionments to eligible projects at

REQUIREMENTS OF THE THREE TYPES OF JOINT-USE PROJECTS

REQUIREMENTS:	Type I	Type II	Type III
Part of an application for new construction	X	X	
Joint-Use Partner must be a governmental agency, higher education, or non-profit organization approved by the SAB.		X	X*
Joint-Use Partner must be higher education <u>only</u>	X		X**
Facility must be used to improve pupil academic achievement, provide teacher education, or provide childcare facilities	X		
The type of facility does not exist or is inadequate			X
Facility will increase the size or extra cost of the proposed multi-purpose room, gymnasium, childcare, or library		X	
Construction Contract must be executed after effective date of AB 16 on April 29, 2002	X	X	X
School District has one year from apportionment date to receive final plan approvals from DSA and CDE			X
School District can submit an application with preliminary plans			X
Site Development costs are eligible project costs			X

* If facility is a multipurpose room, gymnasium, library, or childcare facility

**If facility improves academic achievement or provides teacher education

UPDATE:

STATUS OF AB 16 ISSUES

10 Member State Allocation Board

2 Positions Pending Appointments

Attendance Area Definition

Scheduled for the August IC

Charter Schools

Pending Legislation

Critically Overcrowded School Program

Scheduled for the August IC

Developer Fee Notification

In Process

Energy Efficiency Additional Grant

Ready for the September SAB

Financial Hardship Bonding Requirements

OPSC in Process

Joint-Use Program

Scheduled for the August IC

Modernization 60/40

SAB adopted July 24, 2002

Modernization of 50-year-old Buildings

Scheduled for the August IC

MTYRE - High School Districts

Ready for the September SAB

Priority Points Modification

Ready for the September SAB

Project Assistance 3 Year Sunset

Ready for the September SAB

Small School Lock on Eligibility

Pending Legislation

Title by Prejudgment Possession

No Action Necessary

Urban Adjustments

OPSC in Process

Vocational and Technical Facilities Consideration

Ready for the September SAB

the regularly scheduled State Allocation Board meeting in July 2003.

Status

Several issues were debated at the July Implementation Committee meeting. The OPSC will consider these issues and present proposed resolutions at the August Implementation Committee meeting.

CRITICALLY OVERCROWDED SCHOOLS PROGRAM

The Critically Overcrowded School Facilities (COS) program was created by Assembly Bill (AB) 16 to relieve overcrowding at impacted school sites and provides \$1.7 billion from the 2002 Bond, and \$2.44 billion from the 2004 Bond.

The COS program allows school districts with qualifying critically overcrowded school facilities to apply for a preliminary apportionment for new construction projects to relieve overcrowding. The preliminary apportionment serves as a reservation of funds and must be converted within a four-year period to a final apportionment that meets all the SFP New Construction program laws and regulations required for such an apportionment.

A school district must have both SFP new construction eligibility and one or more schools on the California Department of Education's (CDE) COS School Source List. In order to have a school qualify for inclusion on the CDE Source School List, the school site must have a pupil density greater than 115 pupils per acre for K-6 and 90 pupils per acre for 7-12.

Applications for a preliminary COS apportionment may be submitted to the Office of Public School Construction (OPSC) between November 6, 2002 and May 1, 2003 to be funded

with the proceeds of the November 5, 2002 Bond. The OPSC will accept preliminary applications 60 days prior to, and 120 days after, the 2004 direct primary election, or the 2004 statewide general election, as appropriate, for projects to be funded with the proceeds of that bond.

If the requests for preliminary apportionments exceeds the funds available, projects will be ranked by the highest density levels relative to the CDE standard and funded from the highest to the lowest density.

Status

A number of issues, clarifications and corrections were raised at the July SAB Implementation Committee meeting. The OPSC will consult with legal counsel to determine if advanced fund releases for financial hardship school districts are permissible, the OPSC will look into alternatives to determine the eligibility generated from a source school, and further discuss the requirements for a one-year time extension. The OPSC will review these and other issues and return to the August SAB Implementation Committee meeting for further discussion.

For information

about the CDE Source

School List and its

requirements, contact

Fred Yeager

CDE School Facilities

Planning Division

(916) 327-7148

Education Facilities

Bond Proposals 2002–2004

Program	Bond 2002: \$13,050,000,000	Bond 2004: \$12,300,000,000
New Construction	\$ 3,450,000,000 (\$100 million: charter schools ¹) (\$ 25 million: housing assistance ²) (\$ 14.2 million: energy incentive ³)	\$ 5,260,000,000 (\$300 million: charter schools ¹) (\$ 25 million: housing assistance ²)
Modernization	\$ 1,400,000,000 (\$ 5.8 million: energy incentive ³)	\$ 2,250,000,000
New Construction Backlog	\$ 2,900,000,000	—
Modernization Backlog	\$ 1,900,000,000	—
Critically Overcrowded Schools (COS)	\$ 1,700,000,000	\$ 2,440,000,000
Joint-Use	\$ 50,000,000	\$ 50,000,000
Total K–12	\$ 11,400,000,000	\$ 10,000,000,000

¹ An "up to" amount specified for charter school applications contingent on subsequent legislation.

² Housing assistance funding only if 2002 housing bond fails. If approved, these amounts will revert to the new construction category.

³ A total of up to \$20 million from each bond may be used to increase the grants for projects with qualifying energy efficiency provisions. It is anticipated that the \$20 million amount will be funded as follows: \$14.2 from new construction and \$5.8 from modernization.



Advisory Actions 2002

Department of General Services
Office of Public School Construction

State Allocation Board Meeting: August 28, 2002
Issue Number 07

Executive Corner



August marked the end of Proposition 1A funding with the last quarterly new construction funding allocation by the State Allocation Board (SAB). Essentially, funds for Proposition

1A are exhausted and these funds have given a major boost to school facility construction. Proposition 1A provided funds to house 344,155 pupils in new classrooms and 919,304 pupils in modernized classrooms.

Moving ahead with the passage of Assembly Bill (AB) 16, the Office of Public School Construction (OPSC) has been focusing on its implementation. Look for articles in this issue and future advisories for information on program changes. Also, please refer to the supplemental insert in this issue for an update on AB 16 changes and status.

The OPSC will be presenting a regulation package at the September SAB meeting that will contain the majority of program changes resulting from AB 16. You will find information on these proposed regulations on our Web site.

As these changes are adopted, the OPSC will implement a variety of means to keep districts updated. Our monthly advisory, the OPSC Web site, and presentations at district and association meetings are some of the avenues we will use to keep districts current.

Sincerely,

Luisa M. Park, Executive Officer
Office of Public School Construction

Life After Proposition 1A

By Lisa Jones
Regulation Administrator

For the last four years, school facilities have been constructed and/or modernized with Proposition 1A funding. Two years ago, the State Allocation Board (SAB) implemented a quarterly funding process for new construction projects in order to secure school facility funding for the entire four years of the bond. This brings us to the August 2002 SAB meeting and to the end of the quarterly funding cycles and Proposition 1A funding.

Many of you may be asking, "What's next?" Well, the Office of Public School Construction (OPSC) will continue to process all new construction and modernization applications for SAB consideration, but for placement on the unfunded list.

Complete new construction application packages will be processed in order of date received, with a processing time goal of 120 days. It is anticipated that funding applications accepted for processing by June 30, 2002 will be presented at the November/December 2002 SAB meeting for funding consideration, contingent upon the successful passage of Proposition 47.

The OPSC will strive to keep everyone informed of any changes to these processes so that all applications received are treated fairly, equitably and properly.

WE WANT TO BE READY WHEN YOU SAY...

"Show Me the Money!"

By Barbara Terry
OPSC Accounting

If your district currently has a project on the "waiting list" for future funding that meets the criteria for fund release, the Office of Public School Construction (OPSC) encourages you to submit a fund release request now. The OPSC is now accepting advance Fund Release Authorizations, Form SAB 50-05, from districts that have received unfunded approvals for their projects from the State Allocation Board (SAB). These advance Fund Release Authorizations will be used by the OPSC to project initial cash flow needs and will ensure expeditious processing of your district's fund release once funds become available.

All advance fund release requests received by the OPSC will be processed in date order, so it is to your

advantage to submit the request now, provided you meet the criteria indicated on the form. Please be sure to indicate on the Form SAB 50-05 that your project is on the unfunded list and the date it was approved by the SAB.

As always, contact your Project Manager if you have any questions regarding School Facility Program requirements. For assistance in completing the Fund Release Authorization, Form SAB 50-05, please contact Laurie Stetson, Accounting Supervisor, at 916.322.0140 or lstetson@dgs.ca.gov. The Form SAB 50-05 can be found on the OPSC Web site at www.dgs.ca.gov/opsc.

OPSC Reminders...

- ▶ **State Allocation Board Meetings***
Wednesday, September 25, 2002
Wednesday, October 23, 2002
November and December meeting to be announced (TBA)
- ▶ **State Allocation Board Implementation Committee Meetings***

Friday, October 4, 2002
9:00 a.m. - 3:30 p.m.
US Bank Plaza
980 9th Street, 2nd Floor
Sacramento, CA 95814

Friday, November 1, 2002
Ontario, Time and Location TBA

Friday, December 4, 2002
Sacramento, Time and Location TBA
- ▶ **Interest Earned Report (Form SAB 180)**
Due quarterly from each county for all districts that have earned interest from the Leroy F. Greene Lease-Purchase Fund.
 - March 31
 - June 30
 - September 30
 - December 31
- ▶ **Project Tracking Number**
Project Tracking Number (PTN) required on specified forms effective October 1, 2001.

*Meeting dates subject to change. Check the OPSC Web site at www.dgs.ca.gov/opsc for latest dates and times.

Updating Your District Representative Information Helps Avoid Delays

By Steve Pieper
OPSC Auditor

Does your district receive correspondence from the Office of Public School Construction (OPSC) addressed to individuals who are no longer employed by the district? If so, it means our database has not been updated with the names of the people who have been designated by your school board as the district's official representatives.

Why does this matter? If this information is not updated when there is a change of district personnel, it can lead to delays in moving projects forward as we wait for important responses regarding your projects. Also, the OPSC needs to be notified whenever there is a District Representative change, so districts and their school boards can be assured that the OPSC is working with those parties who are authorized to act on behalf of the district.

How can a district make sure OPSC has the current District Representative information in its database? First, check to see who is currently listed as your District Representative in our computer database system. This can be done by either contacting your Project Manager, or by visiting our Web site at www.dgs.ca.gov/opsc, and selecting any of the district's projects using the Project Tracking System. The primary District Representative's name is listed near the top of the Project Summary page, just under the project number.

What do I do to update my District Representative information? Locate the Eligibility Determination, Form SAB 50-03, on the OPSC Web site at www.dgs.ca.gov/opsc. Complete the form with the information indicated as follows:

- The form header identifying the district's name, address, 5-digit district code, and high school attendance area code (if applicable).
- Part I of the Form SAB 50-03, paying special attention to the exact e-mail address for the representative.
- The school board resolution approval date, appointing the new district representative(s), filled in the certification portion towards the bottom of the form.
- Signature of the authorized District Representative and date on the bottom of the form.

Submit the completed Form SAB 50-03 to the OPSC, directed to your Project Manager. Upon receipt, we will take care of updating our database and future correspondence will be addressed to the correct person. Often times, a new Superintendent may join the district that may not be one of the District Representatives. In those cases, the district can simply write a letter notifying OPSC of the change, and we will also make note in our system.

NEED A HELPING HAND?
OPSC TO THE RESCUE...

Facility Planners Outreach

By Christine Sanchez
Programs Manager Assistant

In order to provide the highest level of customer service to school districts and County Offices of Education (COE), the Office of Public School Construction (OPSC) would like to offer its assistance.

OPSC representatives are available to assist with filling out applications, interpreting regulations and answering questions regarding the School Facility Program, as well as other programs administered by our office, such as the Deferred Maintenance and the State Relocatable Classroom Programs. Our goal is to be available to assist school districts and

COE's on a regular basis. If you are interested in an OPSC representative participating in a future facility planners meeting, please provide us with a schedule of upcoming meetings with your request. If a facility planners meeting is not convenient, contact your OPSC representative to set up a meeting at your convenience either in our office, at your district or the COE.

If you have any questions, please contact Christine Sanchez at chsanche@dgs.ca.gov or 916.322.0328.

ARTICLE SUBMITTED BY THE CALIFORNIA POWER AUTHORITY

Power Authority Offers New "PULSE" Financing Program to Promote Clean Energy and Energy Efficiency

The California Power Authority is launching a new public agency loan program to deliver conservation and clean energy solutions to all public agencies. The **P**ublic **L**eadership **S**olutions for **E**nergy (PULSE) program helps public agencies manage energy needs and costs by providing flexible loan terms. A broad range of technologies are eligible, such as installing energy efficiency solutions, advanced metering and controls, as well as renewable and clean on-site generation.

The lending features include:

- Low short-term or variable tax-exempt rates (as low as 3%);
- Low longer-term tax-exempt rates, with repayment up to each project's useful life;
- Targeting larger loan sizes: 2 million or more per issuance;
- Unlimited maximum loan amounts;
- Multiple bond issues annually; and
- Reduced bond issuance costs via Power Authority financing.

This fund will help government leaders implement clean energy projects with cost-effective paybacks on energy improvements, while simultaneously enabling local control of energy choices and spending decisions. Participants expressing initial interest include cities, counties, school districts, special districts and universities.

If you would like more information, please go to the California Power Authority's Web site at www.capowerauthority.ca.gov/financing/PULSE.htm, email cpcpublicloans@dgs.ca.gov, or call 916.651.9750.

Final Proposition 1A New Construction Funding Quarter

\$473,063,648 in new construction funding was apportioned at the August 28, 2002 meeting of the State Allocation Board (SAB). This marked the last of the new construction funding quarters from Proposition 1A funds. The OPSC will continue to process applications in date order and present them to the SAB for unfunded approvals.

Another Successful Groundbreaking

By Karen Graves-Sims
Project Manager

On August 27, 2002, San Francisco Unified School District broke ground on the new Bessie Carmichael Elementary School. Demolition of the former San Francisco Studios (SFS) building began as part of the groundbreaking ceremony. The SFS is located across the street from the existing campus and will be the site of the the new Bessie Carmichael Elementary School. Working with the City of San Francisco, the existing campus will be converted to a park, which the students will have access to through a joint-use agreement.



The existing Bessie Carmichael School campus will be converted to a park.



The old San Francisco Studios was used by stars such as Whoopi Goldberg.

The Honorable Mayor Willie Brown was among the distinguished speakers that attended the groundbreaking ceremony. The students also participated in the ceremony showing their pride with songs, cheers, speeches and dance performances. The replacement school is projected to open in the fall of 2004.



Paul Cardoni, District Representative SFUSD; Dr. Arlene Ackerman, Superintendent, SFUSD; Lori Morgan, OPSC Manager; Karen Sims, OPSC Project Manager; Jill Wynns, President, SFUSD School Board; Sue Reese, OPSC Manager

Status of Funds

At the completion of the August 28, 2002
State Allocation Board Meeting

PROGRAM	BALANCE AVAILABLE AS OF 08.28.02
Proposition 1A	
New Construction	0.7
Modernization	0.0
Hardship	0.0
Facility Hardship (Reserved)	17.7
Subtotal	18.4
Prior Bond Funds	
Contingency Reserves	24.8
AB 191	1.7
Subtotal	26.5
Grand Total	44.9

The SAB funded \$1,628,727 for the Deferred
Maintenance Program, and \$20,708 for the
Air Conditioning Program.

Funds Released from Prop. 203 and Prop. 1A Prior to the August 28, 2002 Agenda

Total Proposition 203

Apportioned	\$1,981,571,538
Released/Contracted	\$1,926,617,398
Balance	\$54,954,140

Total Proposition 1A

Apportioned	\$6,190,355,439
Released/Contracted	\$5,920,500,954
Balance	\$269,854,485

Construction Cost Indices

Lease-Purchase Program – Construction Cost Indices for August 2002

Class "B" Buildings	1.44
Class "D" Buildings	1.45
Furniture and Equipment	1.39
Historical Savings Index	9.07

Class "B" Buildings: Constructed primarily of
reinforced concrete, steel frames, concrete
floors and roofs.

Class "D" Buildings: Constructed primarily of
wood.

Furniture and Equipment: An index based on
an adjustment factor obtained quarterly from
Marshall & Swift Company.

Historical Savings Index: An index derived
quarterly from the SAB-approved new
construction (growth) contract bids. It
represents the percentage difference between
the SAB/OPSC-generated construction
allowance and the approved contract bid.

Copies of the applicable SAB actions, proposed regulations, and additional information can be located on the OPSC Web site at www.dgs.ca.gov/opsc. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.



Advisory Actions 2002

Office of Public School Construction
1130 K Street, Suite 400
Sacramento, CA 95814

Home Stretch...

The issues pertaining to Assembly Bill (AB) 16 have all been presented and discussed at the State Allocation Board (SAB) Implementation Committee meetings. There are just a few issues left to be further discussed. Many of the discussions reported in the following articles occurred at various SAB Implementation Committee meetings.

With the November election just around the corner, the Office of Public School Construction (OPSC) is on track in preparing the full regulation package to be presented to the State Allocation Board in September.

Continued Discussion from June and August

URBAN ADJUSTMENT

Under the current School Facility Program Regulations, a project's useable site size determines eligibility for an excessive cost grant due to urban location. Site size, however, is just one indicator that a project may require additional funds to accommodate urban construction costs. As a result, Education Code Section 17075.10(c), added by Assembly Bill 16, directs the State Allocation Board (SAB) to review the increased costs that may be uniquely associated with urban construction and requires adjustments to the per-pupil grant for new construction, and modernization projects as necessary to accommodate those costs.

Research and discussion resulted in the development of the proposal by the Office of Public School Construction (OPSC) for excessive costs correlative to projects in an urban location. The proposal would eliminate the percent of useable site size as a qualifier and replace it with other criteria summarized in this chart.

Status

Methodologies were discussed at the August and September SAB Implementation Committee meetings. A coalition of urban districts also presented proposals which were discussed at the September meeting. Consequently, proposed regulation amendments are still in the development process. It is anticipated that amendments to the current regulations regarding urban location excessive cost amounts will be presented at the October or November SAB meeting for approval.

THE OFFICE OF PUBLIC SCHOOL CONSTRUCTION PROPOSAL FOR URBAN ADJUSTMENT CRITERIA

REQUIREMENT	DESCRIPTION
At least one building constructed in the project must be a Type I or II.	Buildings are identified in the California Building Code as Type I and Type II building construction, in which the structural framework must be iron, steel, concrete or masonry (not wood).
Excessive cost grant will be the lesser of A, B or C.	<p>A. Based on the site density percentages similarly used for Critically Overcrowded Schools, allow an increase in the base grant of a:</p> <ul style="list-style-type: none"> Maximum of 8 percent New Construction and Modernization if the site density is at least 90 pupils per acre for grades 7-12 and 115 pupils per acre for grades K-6. Maximum of 15 percent New Construction and Modernization if the site density is at least 113 pupils per acre for grades 7-12 and 145 pupils per acre for grades K-6. Maximum of 50 percent New Construction and maximum of 25 percent Modernization if the site density is at least 135 pupils per acre for grades 7-12 and 175 pupils per acre for grades K-6. <p>B. Based on a cost estimate prepared by the district's licensed design professional which identifies costs to be incurred due to the urban location of the project associated with the following items:</p> <ul style="list-style-type: none"> Limited parking for construction staff. Limited access to site. Limited site space for contractor to work and store materials. Increased premiums for insurance. 24-hour security. Surcharge on materials and equipment deliveries. Special permits. Traffic control. Construction activities limited to certain times of day or week. Higher labor costs. Risk to pedestrian traffic. <p>C. Based on the savings in site cost resulting from the district acquiring a smaller site than recommended by the California Department of Education.</p>

STATUS OF AB 16 ISSUES

10 Member State Allocation Board

2 Positions Pending Appointments

Attendance Area Definition

Ready for the September SAB

Charter Schools

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Critically Overcrowded School Program

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SAB adopted July 24, 2002

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Small School Lock on Eligibility

Pending Legislation

Title by Prejudgment Possession

No Action Necessary

Urban Adjustments

Under Discussion

Vocational and Technical Facilities Consideration

Ready for the September SAB

Continued Discussion from July and August

CRITICALLY OVERCROWDED SCHOOLS PROGRAM

The proposed regulations for the Critically Overcrowded Schools Facility Program (COS) created by Assembly Bill 16 to relieve overcrowding at impacted schools is continuing to advance through the implementation process.

The Office of Public School Construction (OPSC) consulted with legal counsel to determine if advance fund releases for financial hardship school districts are permissible. The OPSC also analyzed alternatives to determine the pupil eligibility from a source school and continued discussion on the criteria to receive a one-year time extension.

After consulting with legal counsel, it was agreed during the August SAB Implementation Committee meeting that there are no provisions for an advance release of funds from a COS preliminary apportionment. All districts, including financial hardship districts, will need to ensure they can adequately advance the project to conversion by meeting all the School Facility Program new construction laws and regulations for a final apportionment within a four-year timeframe. A district that has not converted a preliminary apportionment to a final apportionment within four years may request and be granted a single one-year time extension. A district seeking a time extension must demonstrate the project has received

a California Department of Education (CDE) contingent or final site approval and final plans have been submitted to the Division of the State Architect for approval.

Based on the OPSC recommendation, the threshold amounts to determine the qualifying pupils from a source school will be 86 pupils per acre for an elementary school and 68 pupils per acre for a secondary school.

Further discussions with legal counsel determined that the Education Code does not appear to provide the SAB with the authority to transfer funds from the 2004 Critically Overcrowded Facilities Account to the 2002 Critically Overcrowded Facilities Account to provide for project increases.

For additional information regarding the COS program, please contact Project Managers T.J. Rapozo at 916.324.2557 or, Karen Sims at 916.327.3094. For information about the CDE's Source School List and its requirements, please contact Fred Yeager, CDE School Facilities Planning Division, at 916.327.7148.

Status

It is anticipated that the Regulations to implement this program will be presented to the SAB at the September 25th meeting.

Continued Discussion from July and August

JOINT-USE PROGRAM

Several issues were debated at the July State Allocation Board (SAB) Implementation Committee meeting regarding the Joint Use Program created under Assembly Bill 16. Key issues addressed included whether a school district may submit more than one application, and how projects should be prioritized within each type of Joint Use project. After consulting with legal counsel, it was determined that by limiting the number of applications per district, some districts may be denied equal access to Joint Use funding and it may create constitutional challenges. As a result, it was agreed that a district may submit more than one Joint Use project. It was also agreed that date order received was an equitable solution to prioritizing Joint Use applications within each type of Joint Use project.

The Office of Public School Construction (OPSC) presented draft regulations for the Joint Use Program at the August SAB Implementation Committee meeting, which resulted in productive discussion of key issues. It was agreed that it is important to make the Joint Use Program accessible to more districts. To accomplish this it was decided that, if a district submits more than one application per type of Joint Use project, the first project would be ranked and funded in date order received with other district's first applications. Districts' second applications would be ranked and funded with other districts' second applications in date order received, and so on within each type of Joint Use

project. This methodology will enhance each district's ability to receive funding for a project.

At the September SAB Implementation Committee Meeting, the OPSC presented the revised draft regulations based on the changes discussed at the August SAB Implementation Committee meeting. After discussion, few changes were made to the draft Regulations. One issue that was discussed at the September meeting was whether another district or County Office of Education (COE) may be the Joint Use partner. It was decided that if a Joint Use partner is a governmental agency, the Joint Use partner may be another district or COE, provided the funds they contribute are not otherwise available to the program.

For eligibility criteria and other pertinent information regarding the Joint Use Program, you can locate the SAB Implementation Committee Issue Papers on the OPSC Web site at www.dgs.ca.gov/opsc, or look for further updates in future Advisory Actions.

Status

It is anticipated that the Regulations to implement this program will be presented to the SAB at the September 25th meeting.

Continued Discussion from June

ATTENDANCE AREA DEFINITION CHANGE

The definition of Attendance Area will be changed by the deletion of “or proposed” thereby permitting districts to establish an Attendance Area only where there is an existing high school. Current language states that eligibility determination for a High School Attendance Area (HSAA) or Super HSAA includes a high school that serves any combination of grades nine through twelve and is not a continuation high school. The regulation will be changed to “includes an operating high school that serves any combination of grades nine through twelve and is not a continuation high school”. Lastly, the regulation language will be clarified by stating that the high school that is the basis of the HSAA or Super HSAA is operated by the applicant district.

Status

This amendment to the regulations will be presented at the September meeting of the State Allocation Board.

Education Facilities

Bond Proposals 2002–2004

Program	Bond 2002: \$13,050,000,000	Bond 2004: \$12,300,000,000
New Construction	\$ 3,450,000,000 (\$100 million: charter schools ¹) (\$ 25 million: housing assistance ²) (\$ 14.2 million: energy incentive ³)	\$ 5,260,000,000 (\$300 million: charter schools ¹) (\$ 25 million: housing assistance ²)
Modernization	\$ 1,400,000,000 (\$ 5.8 million: energy incentive ³)	\$ 2,250,000,000
New Construction Backlog	\$ 2,900,000,000	—
Modernization Backlog	\$ 1,900,000,000	—
Critically Overcrowded Schools (COS)	\$ 1,700,000,000	\$ 2,440,000,000
Joint-Use	\$ 50,000,000	\$ 50,000,000
Total K–12	\$ 11,400,000,000	\$ 10,000,000,000

¹An “up to” amount specified for charter school applications contingent on subsequent legislation.

²Housing assistance funding only if 2002 housing bond fails. If approved, these amounts will revert to the new construction category.

³A total of up to \$20 million from each bond may be used to increase the grants for projects with qualifying energy efficiency provisions. It is anticipated that the \$20 million amount will be funded as follows: \$14.2 from new construction and \$5.8 from modernization.

Continued Discussion from June

MODERNIZATION OF 50-YEAR OLD BUILDINGS

Additional funding will be provided to districts to modernize school buildings that are at least 50 years old to help mitigate some of the higher costs associated with the modernization of older buildings. These grants may not be used for any building which has been previously modernized with State funds. An additional per pupil grant will be provided as follows:

Type of Pupil	State's Share at 60% for Buildings at least 50 years old
Elementary	\$ 3,120
Middle	\$ 3,300
High	\$ 4,320
Non-Severe	\$ 6,650
Severe	\$ 9,944

An additional allowance will be provided for utility upgrades serving the site and the 50 year-old buildings. The utility upgrades will be provided for water, sewer, electrical, gas, and communication.

This additional allowance will be the lesser of the eligible work for utility upgrades or an amount not to exceed 20 percent of the pupil grant amount calculated.

Status

Proposed regulations will be presented at the September State Allocation Board meeting.



Advisory Actions 2002

Department of General Services
Office of Public School Construction

State Allocation Board Meeting: September 25, 2002
Issue Number 08

Executive Corner



Emergency Regulations implementing Assembly Bill (AB) 16 were adopted by the State Allocation Board at the September meeting. The Office of Public School Construction (OPSC)

anticipates approval for the regulations from the Office of Administrative Law in October. With that approval the regulations are in effect.

Our office is committed to sharing information regarding AB 16 and changes to the School Facility Program with school districts and other interested parties as quickly as possible. We have posted information on our Web site and scheduled workshops throughout the State. Please see the OPSC Statewide Outreach article in this issue for more information on the workshops.

On September 26, 2002, the Governor signed AB 14 (Goldberg) which changes the language contained in AB 16. AB 14 also adds a Charter School Program to be administered by the SAB. Because AB 14 did not contain an urgency clause, the provisions will become effective on January 1, 2003. We will endeavor to keep you updated on the progress of regulation development associated with this bill.

This is an information packed issue, you will want to read every article.

Sincerely,

Luisa M. Park, Executive Officer
Office of Public School Construction

Assembly Bill 16 And You

By Lisa Jones
Regulation Administrator

Are you aware of the major impacts Assembly Bill (AB) 16 will have on the School Facility Program (SFP)? If you responded yes, great; you are ahead of the crowd but may still want to read on. If you responded no, you definitely want to dive into this article. AB 16 (Hertzberg), Chapter 33, Statutes of 2002 was signed by the Governor on April 26, 2002 and became law April 29, 2002. Since the bill contained an urgency clause, it became effective immediately. The following highlights program features that are a part of the School Facility Program modifications:

Critically Overcrowded Schools

One of the major provisions of AB 16 is the Critically Overcrowded Schools (COS) program. The COS program is established for new construction projects only and provides for a reservation of funding in order to relieve overcrowding on severely impacted school sites. Applications for a preliminary apportionment shall be submitted beginning November 5, 2002 through May 1, 2003, contingent upon the successful passage of Proposition 47. Applicants have up to four years from the date of the preliminary apportionment to convert to a final apportionment. Applicants may request a single one-year extension if the State Allocation Board (SAB) determines that substantial progress has been made towards completing the requirements

for filing for final apportionment. Preliminary apportionments include the total estimated costs of the project and site acquisition/development costs. The proposed COS school must be located in the general location (1 mile radius for elementary and 3 mile radius for middle/high schools) of one or more of the qualifying overcrowded schools and must contain at least 75 percent of its qualifying pupils from these overcrowded schools. Any bond dollars remaining after final apportionments have been made will be transferred to the New Construction funding category.

Joint-Use

Another component of AB 16 is the Joint-Use program. The Joint-Use program is established to provide three types of joint-use projects and funding from both the November 2002 and March 2004 bond initiatives. Types I and II are in conjunction with an SFP new construction project, and Type III is a stand alone project where the facility requested does not already exist on the site or is inadequate in size. The thrust of this program is to jointly construct multipurpose rooms, gymnasiums, libraries, and facilities to improve pupil academic achievement, teacher education, and provide childcare facilities. Unlike the current Joint-Use program created by Senate Bill 1795, this program encourages collaborative efforts between K-12 and

(Continued on page 3)

OPSC HITS THE ROAD WITH...

Statewide Assembly Bill 16 Outreach

The State Allocation Board has adopted the regulations implementing the provisions of Assembly Bill (AB) 16 into the School Facility Program. The Office of Public School Construction will be conducting AB 16 workshops throughout the State. The goal of the workshops will be to provide information on new programs and changes to the existing School Facility Program. Please refer to our Workshop Schedule for dates and locations and our Website at www.dgs.ca.gov/opsc for additional information.

If you are interested in attending, please RSVP the OPSC at 916.445.3160.

WORKSHOP SCHEDULE

Shasta	October 15 (1:00 pm-4:00 pm)
San Diego	October 18 (1:00 pm-4:00 pm)
Riverside	October 21 (1:00 pm-4:00 pm)
Los Angeles	October 24 (1:30 pm -4:00 pm)
Sacramento	October 28 (9:00 am-12:00 pm)
Fresno	October 29 (9:00 am-12:00 pm)
Oakland	November 4 (9:30 am - 12:30 pm)

OPSC Reminders...

- ▶ **State Allocation Board Meetings***
Wednesday, October 23, 2002
November and December meeting to be announced (TBA)
- ▶ **State Allocation Board Implementation Committee Meetings***
Wednesday, October 16, 2002
(Rescheduled from October 4, 2002)
9:30 am- 3:30 pm
US Bank Plaza
980 9th Street, 2nd Floor
Sacramento, CA 95814
- Friday, November 1, 2002
Ontario, Time and Location TBA
- Friday, December 4, 2002
Sacramento, Time and Location TBA
- ▶ **Interest Earned Report (Form SAB 180)**
Due quarterly from each county for all districts that have earned interest from the Leroy F. Greene Lease-Purchase Fund.
 - March 31
 - June 30
 - September 30
 - December 31
- ▶ **Project Tracking Number**
Project Tracking Number (PTN) required on specified forms effective October 1, 2001.

*Meeting dates subject to change. Check the OPSC Web site at www.dgs.ca.gov/opsc for latest dates and times.

OPSC, DSA and CDE Join Forces in Conducting Post-Occupancy Site Visits

By Noe' Valadez
Audit Supervisor

The project is complete; the bills have been paid; maybe even the Expenditure Audit has been done, but the SFP construction process may not be complete. The Office of Public School Construction (OPSC), the Division of the State Architect (DSA), and the California Department of Education (CDE) are coordinating our efforts to visit the schools you built. Not only will we get to know you better and observe your facilities, but you will have collaborative access to the school facilities State agencies to discuss your facility needs.

These visits will allow us to see what innovative designs worked best, what challenges districts

encounter in the building process, and what additional information will improve our processes. The visits will also enable the State to follow up on the project approvals to ensure that the project built or modernized conforms with the project approvals and the DSA and CDE approved plans.

The three State agencies will be coordinating on our end and one agency will contact you to schedule the post-occupancy site visit. We look forward to working with you during this important aspect of the construction process. Post-occupancy site visit questions may be directed to Lien Hoang, Audit Supervisor, at 916.322.0315, or Noe' Valadez, Audit Supervisor, at 916.322.7628.

Outstanding Lien Releases Remain

By Bryan Breaks
Audit Supervisor

Thank you for responding to our requests to remove State liens on district properties. These liens were carryovers from those districts that participated in the old State School Building Programs.

There are still 54 districts that have not cleared these liens as provided in Chapter 407, Statutes of 1998 (SB 50). The Office of Public School Construction (OPSC) would like to release these remaining liens but is prevented from doing so until the 54 districts still outstanding take the

appropriate action. The original acknowledgement of lien releases was sent to each impacted district with instructions that the information needed to be presented to the county recorder in order to remove the State lien from the districts properties.

Please view the OPSC Web site under "What's New" at www.dgs.ca.gov/opsc to make sure your district is not one of the outstanding 54 districts. For additional assistance please feel free to contact Mr. Bryan Breaks, Audit Supervisor at bbreaks@dgs.ca.gov / 916.445.3156.

Critical Hardship Fund Release Reminder

By Lisa Constancio
Deferred Maintenance Supervisor

As a general reminder, school districts that received apportionments for a Deferred Maintenance Critical Hardship project are required to bid and complete the project within one year of apportionment.

For those districts that received an apportionment at the October 24, 2001 State

Allocation Board meeting, this one year time line is quickly approaching. Please contact Rachel Wong, Deferred Maintenance Project Manager, at rwong@dgs.ca.gov / 916.445.7880 for further information and the appropriate documentation to be submitted by the districts for fund release by October 24, 2002.

(Continued from page 1)

higher education in the construction of these types of facilities. The Joint-Use partner must contribute fifty percent to the project. Funding is done in July of each year for those projects qualifying as Joint-Use.

60/40 Modernization Program

Since the inception of the SFP, modernization projects were funded on an 80/20 basis. AB 16 changed the funding scheme from 80/20 to 60/40 for project applications filed after March 15, 2002*. The per-pupil grant from the state remains the same; however, the district's contribution to the project increases from 20 percent to 40 percent. The Office of Public School Construction (OPSC) presented the SAB with proposed regulatory amendments at its July 24, 2002 meeting, and the SAB adopted the regulatory amendments on an emergency basis. The Office of Administrative Law approved the amendments and filed them with the Secretary of State with an effective date of September 16, 2002.

*NOTE: This date has changed to April 29, 2002 when AB 14 becomes effective in January 2003.

Grant Increase for Modernization of Over 50 Year Old Facilities

The existing Modernization Program under the SFP has been expanded to include those buildings that are at least 50 years old and that have not been previously modernized with State funding. This expanded aspect of the program will provide for an increased modernization grant equal to 50 percent of the cost to replace a building, shared by the State at 60 percent and the school district at 40 percent. Further, a site utility development allowance will be provided, subject to certain limitations, to ensure that sufficient dollars are available for infrastructure needs associated with buildings over 50 years old.

Energy Efficiency Grant

New construction and modernization projects that meet energy efficiency criteria will be eligible for a supplemental grant increase of up to five percent of the new construction or modernization grant. Projects must exceed the nonresidential building energy efficiency standards by an amount not less than 15 percent for new construction projects and by not less than 10 percent for modernization projects. These projects shall show a savings return over a period not to exceed seven years.

Priority Points

The priority point system is eliminated for new construction projects funded by bond proceeds approved by the electorate after January 1, 2002.

Project Assistance

The small school district project assistance allowance for new construction and modernization has been made permanent.

High School District Eligibility

High school districts will no longer receive an automatic eligibility reduction that assumed a percentage of their enrollment was on a multi-track year-round education schedule.

Change in SAB Membership

Those of you that have been affiliated with the SAB over the years know that the SAB has historically been comprised of seven members; three department directors and four legislators. However, as a result of AB 16, the membership of the SAB changes from a seven-member board to a ten-member board. The increase to the SAB is one additional member from each house, Senate and Assembly, as well as a person appointed by the Governor.

If you have any questions regarding AB 16 subject matter, please contact your Project Manager.

Education Facilities

Bond Proposals 2002–2004

Program	Bond 2002: \$13,050,000,000	Bond 2004: \$12,300,000,000
New Construction	\$ 3,450,000,000 (\$100 million: charter schools ¹) (\$ 25 million: housing assistance ²) (\$ 14.2 million: energy incentive ³)	\$ 5,260,000,000 (\$300 million: charter schools ¹) (\$ 25 million: housing assistance ²)
Modernization	\$ 1,400,000,000 (\$ 5.8 million: energy incentive ³)	\$ 2,250,000,000
New Construction Backlog*	\$ 2,900,000,000	—
Modernization Backlog*	\$ 1,900,000,000	—
Critically Overcrowded Schools (COS)	\$ 1,700,000,000	\$ 2,440,000,000
Joint-Use	\$ 50,000,000	\$ 50,000,000
Total K–12	\$ 11,400,000,000	\$ 10,000,000,000

¹An "up to" amount specified for charter school applications contingent on subsequent legislation.

²Housing assistance funding only if 2002 housing bond fails. If approved, these amounts will revert to the new construction category.

³A total of up to \$20 million from each bond may be used to increase the grants for projects with qualifying energy efficiency provisions. It is anticipated that the \$20 million amount will be funded as follows: \$14.2 from new construction and \$5.8 from modernization.

*Applications on file as of February 1, 2002

Status of Funds

At the completion of the September 25, 2002
State Allocation Board Meeting

PROGRAM	BALANCE AVAILABLE AS OF 09.25.02
Proposition 1A	
New Construction	1.5
Modernization	0.0
Hardship	0.0
Facility Hardship (Reserved)	18.5
Subtotal	20.0
Prior Bond Funds	
Contingency Reserves	25.0
AB 191	1.7
Subtotal	26.7
Grand Total	46.7

Funds Released from Prop. 203 and Prop. 1A Prior to the September 25, 2002 Agenda

Total Proposition 203

Apportioned	\$1,981,439,027
Released/Contracted	\$1,926,551,246
Balance	\$54,887,781

Total Proposition 1A

Apportioned	\$6,662,974,761
Released/Contracted	\$5,938,987,784
Balance	\$723,986,977

Construction Cost Indices

Lease-Purchase Program – Construction Cost Indices for September 2002

Class "B" Buildings	1.45
Class "D" Buildings	1.45
Furniture and Equipment	1.39
Historical Savings Index	9.07

Class "B" Buildings: Constructed primarily of reinforced concrete, steel frames, concrete floors and roofs.

Class "D" Buildings: Constructed primarily of wood.

Furniture and Equipment: An index based on an adjustment factor obtained quarterly from Marshall & Swift Company.

Historical Savings Index: An index derived quarterly from the SAB-approved new construction (growth) contract bids. It represents the percentage difference between the SAB/OPSC-generated construction allowance and the approved contract bid.

Copies of the applicable SAB actions, proposed regulations, and additional information can be located on the OPSC Web site at www.dgs.ca.gov/opsc. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.



Advisory Actions 2002

Office of Public School Construction
1130 K Street, Suite 400
Sacramento, CA 95814



Advisory Actions 2002

Department of General Services
Office of Public School Construction

State Allocation Board Meeting: October 23, 2002
Issue Number 09

Executive Corner



The Office of Public School Construction (OPSC) is pleased to announce that at the October 23, 2002 State Allocation Board meeting, the Board apportioned over \$226 million in

Deferred Maintenance (DM) funds providing essential funding for the benefit of students across the State of California. School districts and their students rely heavily on this resource for both ongoing facility maintenance and critical hardship projects. For more information on this action and other DM issues, please refer to the Deferred Maintenance articles in this issue of the Advisory Actions.

The OPSC wants to assist districts that qualify for the DM Program and will provide the resources necessary regarding the program attributes. A revised DM Handbook, a DM Hardship Flyer, and a CD with DM regulations and forms will soon be available to districts.

Maintaining our school facilities in peak condition is not only a practical and economically sound practice but it sends an important message to our students that they are special and valuable. ... "Thank You" for taking excellent care of our public school facilities.

Sincerely,

Luisa M. Park, Executive Officer
Office of Public School Construction

Deferred Maintenance Annual Apportionment

On October 23, 2002, the State Allocation Board (SAB) approved the 2001/2002 Fiscal Year funding for the Deferred Maintenance (DM) Program.

Over 1000 districts received DM Program funding with the available State funds. The 980 non-hardship districts received a prorated basic apportionment of 89.57 percent and 44 districts received a maximum basic apportionment along with their extreme hardship apportionment. In order to receive these funds, County Offices of Education (COE) must certify to the Office of Public School Construction (OPSC) by December 23, 2002 that the school districts within their county and the COE have deposited the required funds to their DM Fund. In addition, districts with an extreme hardship apportionment have to submit the Fund Release Authorization, Form SAB 40-23, and all supporting documentation by October 24, 2003.

Please be advised that districts and COEs that do not deposit the maximum calculated basic amount into their DM Fund are

required by law to submit reports to the Legislature by March 1, 2003. The report is to include a schedule of the deferred maintenance needs for the current fiscal year, an explanation of the district's spending priorities for the current fiscal year, and an explanation of how the district plans on meeting its current need without depositing the maximum amount calculated by the California Department of Education.

The COEs must complete and return the Certification of Deposits, Form SAB 40-21, by December 23, 2002. Districts and COEs that have not certified their deposits to the OPSC by December 23, 2002 are subject to having their State DM apportionment recinded. If you would like more information, please contact Roxana Saravia at: roxana.saravia@dgs.ca.gov / 916.323.3871.

DEFERRED MAINTENANCE PROGRAM FUNDS

	Value of Requests	State Funds Available	State Apportionment
Basic	\$236,416,894	\$211,997,152	\$211,974,336
Extreme Hardship	14,853,131	16,878,589	14,853,131
Total	\$251,270,025	\$228,875,741	\$226,827,467

You Received Deferred Maintenance Extreme Hardship Funds...

What's Next?

By Roxana Saravia
Deferred Maintenance Project Manager

Districts are encouraged to immediately proceed with their projects in order to mitigate the problem for the health and safety of students and staff, and to prevent further damage to the facilities. It is important that districts are aware that extreme hardship project work must comply with all applicable laws, specifically the Public Contract Code and the California Code of Regulations (Title 24). If a district is considering entering into an "emergency" contract, the district is encouraged to carefully consult with its legal counsel and County Office of Education (COE). As part of its normal audit review, the OPSC will be coordinating with the COE and verifying that the requirements in law for such contracts have been met.

Districts have one year from the date of apportionment to complete a project. The Fund Release Authorization, Form SAB 40-23, and all supporting documentation are required to be

submitted, as listed on the form, to the OPSC within six months of the SAB apportionment date. If the fund release documents are not received within the six months, the district is required to submit a progress report to the OPSC containing a timeline of the project's progress and how the district plans to complete the project by the one-year timeline (refer to regulation sections 18665.7 & 18665.8). Once an extreme hardship project is complete, the district has two years from the date any funds were released to submit the Expenditure Report, Form SAB 40-24, and related documents to the OPSC for a final audit.

Since non-compliance to any applicable laws, regulations and/or policies jeopardizes State funding, the OPSC encourages the district to seek advice from their legal counsel before entering a contract. For additional information contact Rachel Wong at 916.445.7880 or Roxana Saravia at 916.323.3871. For information regarding the fiscal requirements, please contact Amalia Sanchez, Auditor, at 916.322.0296.

OPSC Reminders...

- ▶ **State Allocation Board Meetings***
Wednesday, December 11, 2002
2:00 p.m.
State Capitol Room 4203
- ▶ **State Allocation Board Implementation Committee Meetings***
Wednesday, December 4, 2002
9:30 a.m. - 3:30 p.m.
US Bank Plaza
980 9th Street, 2nd Floor
Sacramento, CA 95814
- ▶ **Interest Earned Report (Form SAB 180)**
Due quarterly from each county for all districts that have earned interest from the Leroy F. Greene Lease-Purchase Fund.
 - March 31
 - June 30
 - September 30
 - December 31
- ▶ **Project Tracking Number**
Project Tracking Number (PTN) required on specified forms effective October 1, 2001.

*Meeting dates subject to change. Check the OPSC Web site at www.dgs.ca.gov/opsc for latest dates and times.

Project Savings... Seems to be a Hot Topic in Town

By Charles Robertson
OPSC Auditor

The OPSC Audit Team is receiving an increasing number of questions about School Facility Program (SFP) project savings. This article provides you with a sampling of these questions and answers relating to project savings calculation, spending and tracking.

What is it and how is it calculated?

Savings are defined as the excess funds not necessary for the completion of a project from a district's approved grant (district and State share), including interest accrued on the State's share of the grant. The interest accrued on the district's share of the grant is retained by the district, but is not included in the calculation of the total project savings. Savings are usually achieved when the district receives a favorable low bid for the construction portion of the project and/or through disciplined prudent planning and spending. The funds determined to be savings must be kept or deposited into an appropriate restricted facility account until spent.

An example of how savings are determined is as follows:

Grant Approved for Project (Both District and State Share)	\$ 2,000,000
Plus: Interest Earned on Project Funds	<u>30,000*</u>
Total: Approved Grant Plus Interest	2,030,000
Less: Total Eligible Project Expenditures	<u>(1,720,000)</u>
Equals: Total Savings	\$ 310,000

*On the State's share

How can I spend it?

The law (Education Code 17070.63) provides that funds not needed for a project may be spent on other high priority capital outlay needs of the district. The district and/or its legal counsel determine what is defined as a "high priority capital outlay need"; however, the OPSC verifies savings are indeed spent on capital outlay needs. Another way of disposing of savings may be to apply the State's portion of any savings towards the district's matching share of a future SFP project of a like kind. For example, if savings are incurred on a modernization project, the State's share of savings may only be used towards the district's matching share of a future modernization project. Likewise, this applies to new construction project savings. The

district's portion of the savings is not limited to a particular type of high priority capital outlay need.

How do I determine the State's and district's portion of savings?

The State's and district's portion of savings are proportionate to the funding split of the project applied to the total savings. The calculation of total savings is illustrated in the previous example in this article. Using this example, the savings would be as follows:

For a 50/50 new construction project:

State's portion of the savings:	\$155,000
District's portion of the savings:	\$155,000

For a 60/40 modernization project:

State's portion of the savings:	\$186,000
District's portion of the savings:	\$124,000

What if I am a financial hardship district?

If a financial hardship district incurs savings on a project, the savings amount must be returned to the State.

Does the OPSC track project savings?

You bet your bottom dollar! As savings are spent and the expenditures are made, the district is required to submit an Expenditure Report, Form SAB 50-06, with a Detailed Listing of Project Expenditures Worksheet (page 4 of the worksheet — Savings). The OPSC has developed a database to track the savings information for all applicable projects. The database is continually updated as new information becomes available for the purpose of posting or reducing the savings. The district continues to submit annual expenditure reports for the project until all savings are expended. Savings information is tracked until the district reports it has spent all the savings.

If you have questions regarding project savings or audits, please contact Lien Hoang, Audit Supervisor, at 916.322.0315 / lhoang@dgs.ca.gov, or Noe' Valadez, Audit Supervisor, at 916.322.7628 / nvaladez@dgs.ca.gov.

Design-Build

By Karen Sims
OPSC Project Manager

Design/Build: A procurement process in which both the design and construction of a project are procured from a single entity.

General Information

Assembly Bill (AB) 1402 became law on January 1, 2002. This law allows school districts to use Design/Build as an alternative delivery method for new construction and modernization projects that exceed \$10 million.

To help school districts with the Design/Build process, the California Department of Education (CDE) has put together a guidebook. A district considering the Design/Build delivery method is required by AB 1402 to review these guidelines. The CDE guidebook is available on the CDE's website at www.cde.ca.gov/cdepress/downloads.html.

At the completion of a Design/Build project, a district must submit a report to the Legislative Analyst's Office (LAO) within 60 days. The information that must be reported to the LAO can be found in the CDE's guidebook.

Districts that are considering Design/Build should have a complete understanding of the process and understand the pros and cons of using this process. Remember, this is an alternative delivery method and may not be right for all districts and/or projects.

AB 1402 is designed to sunset on January 1, 2007.

OPSC Specifics:

Districts who choose to use the Design/Build delivery method and apply for State funding will be subject to all regulations of the School Facility Program (SFP) in effect at the time its application is submitted.

SFP Regulation Section 1859.51(i)(5), states that the baseline eligibility for new construction will be adjusted except "where the contract for the lease,

purchase, or construction was made no more than 180 days before the Approved Application date for funding of the classrooms included in the contract." Therefore, districts must be aware that when signing a contract with a Design/Build entity that, in essence, they are signing the construction contract at the same time as the contract for architectural services is being signed. It may be possible to construct the Design/Build contract in such a way as to avoid problems with the 180-day requirement. Please contact your Project Manager for details.

Districts who are considering Design/Build should consult with legal counsel.

Resources:

The CDE guidebook is available on the CDE's website at:
www.cde.ca.gov/cdepress/downloads.html.

Legislative Analyst's Office
925 L Street, Suite 1000
Sacramento, CA 95814
www.lao.ca.gov

Office of Public School Construction
1130 K Street, Suite 400
Sacramento, CA 95814
www.dgs.ca.gov/opsc

Department of Industrial Relations
770 L Street, Suite 1160
Sacramento, CA 95814
www.dir.ca.gov

Joint Use – "The Wave of the Future"

By Shelley Nishikawa
OPSC Multimedia/Publications

The Genevieve Didion K-8 School in Sacramento and the surrounding community are on the eve of an exciting development for both the school and the community: a new Joint Use Recreational Center. The center will be located on the school property, contiguous with a city park. This project is a model for Joint Use Partnerships with funding from the community, the Sacramento City Unified School District, the City of Sacramento's Department of Parks and Recreation, as well as funding from the State Allocation Board made available through Senate Bill 1795.

This recreational center will provide a much needed indoor area for the student body to assemble as well as a gymnasium for the students during their regular school day. The center will also provide space for musical and theatrical programs and after school activities, and will be used for many community activities for all ages. The activities to be held at the center will reflect the true meaning of joint use. "Utilizing schools as community centers is the wave of the future" - Ralph Pettingell, City of Sacramento Recreation Manager.



Luisa Park, OPSC Executive Officer; Diana Cowan, representing Assemblymember Darryl Steinberg; and Jim Sweeney, District Superintendent joined City Councilmembers, School Board members and community leaders for a groundbreaking ceremony in Sacramento.

Status of Funds

At the completion of the October 23, 2002
State Allocation Board Meeting

PROGRAM	BALANCE AVAILABLE AS OF 10.23.02
Proposition 1A	
New Construction	1.7
Modernization	0.0
Hardship	0.0
Facility Hardship (Reserved)	20.3
Subtotal	22.0
Prior Bond Funds	
Contingency Reserves	27.4
AB 191	1.7
Subtotal	29.1
Grand Total	51.1

Funds Released from Prop. 203 and Prop. 1A

Prior to the October 23, 2002 Agenda

TOTAL PROPOSITION 203

Apportioned	\$1,978,903,479
Released/Contracted	\$1,930,115,538
Balance	\$48,787,941

TOTAL PROPOSITION 1A

Apportioned	\$6,660,984,038
Released/Contracted	\$5,941,739,409
Balance	\$719,244,629

Construction Cost Indices

Lease-Purchase Program – Construction Cost
Indices for October 2002

Class "B" Buildings	1.45
Class "D" Buildings	1.45
Furniture and Equipment	1.41
Historical Savings Index	8.25

Class "B" Buildings: Constructed primarily of reinforced concrete, steel frames, concrete floors and roofs.

Class "D" Buildings: Constructed primarily of wood.

Furniture and Equipment: An index based on an adjustment factor obtained quarterly from Marshall & Swift Company.

Historical Savings Index: An index derived quarterly from the SAB-approved new construction (growth) contract bids. It represents the percentage difference between the SAB/OPSC-generated construction allowance and the approved contract bid.

Copies of the applicable SAB actions, proposed regulations, and additional information can be located on the OPSC Web site at www.dgs.ca.gov/opsc. Should you have questions or need any additional information regarding the contents of this advisory, please contact your project manager.



Advisory Actions 2002

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